United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 113th CONGRESS, SECOND SESSION

Vol. 160 WASHINGTON, WEDNESDAY, JANUARY 8, 2014 *No. 4*

Senate

The Senate met at 10 a.m. and was called to order by the Honorable EDWARD J. MARKEY, a Senator from the Commonwealth of Massachusetts.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Gracious and changeless God, the creator of heavenly lights, Your mercies sustain us.

Today, use our Senators to accomplish Your will, making them faithful under trials and resolute when facing the difficult. Lord, even in their sorrowing seasons, motivate them to be transformed by Your liberating grace. Empower them to do the best they are capable of, bringing a harvest of courage, compassion, and service. Give them the wisdom to place their ultimate trust in You.

We pray in Your holy Name. Amen.

PLEDGE OF ALLEGIANCE

The Presiding Officer led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. LEAHY).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, January 8, 2014.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD J. MARKEY, a Senator from the Commonwealth of Massachusetts, to perform the duties of the Chair.

PATRICK J. LEAHY,
President pro tempore.

Mr. MARKEY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Following my remarks and those of the Republican leader, the Senate will resume consideration of the motion to proceed to S. 1845, the unemployment compensation legislation. We have no votes scheduled yet. When we are able to work something out in that regard, we will notify all Senate offices.

UNEMPLOYMENT COMPENSATION

Mr. REID. Yesterday's vote to advance a measure which is so vitally important to our country—to extend the lifeline to Americans who lost their jobs during this great recession—was a very positive development, but we are a long way from restoring benefits to 1.3 million people who have been looking for work for months, some of them for years.

The few Republicans willing to even debate this measure have already threatened to vote against even a short-term extension unless it is fully paid for.

Let me start by saying I am opposed to offsetting the cost of emergency unemployment benefits—I repeat, emergency unemployment benefits. I don't understand why my Republican colleagues can't read the script from the administration of their President, our President, President Bush. Five times during his time in office—the second President Bush—we extended emergency unemployment insurance benefits by declaring an emergency, as we should now. We should realize that today there is only one job available for every three people seeking a job. Think about it.

This legislation calls for a 3-month extension. That is all. Let's extend this now and give those people their benefits, and then we will work to see whether we can come up with a long-term solution to this issue. I have heard one of the leaders in the House, one of the Republicans, say we need to do something about opportunities for jobs. We agree. Let's see what we can come up with, but let's extend the benefits for 3 months now.

Through the darkest days of the recession, these unemployment benefits kept millions of Americans from descending into poverty.

I again urge my Republican colleagues in Congress to pass this 3-month extension. It is what the American people want by a vast majority of all political stripes. We need to do this so we can negotiate a long-term solution to this issue. Any lapse or delay in benefits means 1.3 million people will be wondering whether they need to go to borrow money again or to maybe see if they can figure out a way to buy baby formula or gas for their car to go to a job interview if they are fortunate to have a car or a bus ticket.

If Republicans are so interested in paying for this measure, they should propose a reasonable way to do so that doesn't attack the Affordable Care Act or punish American children, as the two proposals they presented yesterday do—go after American children or the Affordable Care Act. They should propose an offset that might actually pass. Instead, they propose a string of political amendments, each more doomed to failure than the last one they offered.

They should also stop masking their reluctance to extend these benefits behind complaints about how many

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Printed on recycled paper.

amendments they have been allowed to offer on this and other legislation. Everyone within the sound of my voice should understand that is hollow. It has become a common refrain for the minority to blame their own frequent obstruction on me. Two Republican Senators held up progress on virtually everything we tried to do under the first term of this Congress. They wouldn't let any other amendments come up unless they got a vote on their amendment.

The fact remains that if my Republican colleagues have complaints about my leadership style, they should also have complaints about Senator Frist, my predecessor. He is a fine man, a Republican leader. We still stay in touch, as I do with the other Republican leader, Senator Lott, whom I worked with very closely. I hear no complaints about their leadership style when they were leading the Senate. During my time as leader, Republicans have offered 7 out of 10 amendments on which the Senate has voted. Seventy percent of the amendments we have voted on in the Senate have been Republican amendments. This has been a greater share than either Senator Frist or Senator Lott offered. During my leadership in the 111th Congress, minority amendments represented a greater share of amendment votes than during any single Congress. Think about it.

So Republicans should stop trying to justify their opposition to helping Americans in need with false claims about what is going on in this institution. Let's start talking about facts rather than fiction—and there is a lot of fiction going around. Republicans should, I repeat, stop trying to justify their opposition to helping Americans in need with false claims about my leadership.

It is quite interesting to note that House Republican leaders—and I am sure they sent a copy of it to the Senate—have instructed colleagues in a written memo. It says: Show compassion for the unemployed.

I say to everyone that we don't need a memo for us to show compassion to the unemployed.

They also say: Treat them as individuals.

Oh yeah? That is not a bad idea, but it will be very difficult for Senate Republicans to seem sympathetic to the plight of the unemployed while still opposing a helping hand for 1.3 million job seekers. It shouldn't take a memo to realize that unemployed Americans—and particularly those who have been out of work for months—deserve our compassion. We don't need a memo for that, a memo saying: Show compassion. No wonder Republicans in Congress are out of touch with Republicans around the country. Republicans around the country support extending unemployment benefits because they have compassion for those Americans who are in trouble.

Being out of work is not only financially devastating, it is heartbreaking. I recently received a letter from a single mother of two who has lived in Nevada all of her life. She is afraid she will soon be homeless—a single mother. She wrote: ''I have no desire to live off the system.'' She is speaking for virtually everyone we are trying to help. This woman is the rule, not the exception.

To qualify for unemployment is not easy. Someone has to be laid off through no fault of their own, and they have to actively seek work.

These unemployed aren't gaming the system; there simply aren't enough jobs to go around. For every job there are three people trying to get that job. The longer a person is unemployed, the more difficult it becomes to find work. This is not being made up; this is a fact. The long-term unemployed are half as likely as their recently let-go competitors to be hired. But that doesn't stop them from trying. Rather than encouraging these people who are desperate for help to keep looking, cutting off unemployment benefits actually encourages the long-term unemployed to actually drop out of the job market altogether. That doesn't help them, our communities, our States, and our country. It hurts families, it hurts communities, and it certainly hurts the economy.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

UNEMPLOYMENT COMPENSATION

Mr. MCCONNELL. Yesterday the majority leader rejected my offer for both sides to offer amendments to the unemployment insurance bill—the way things used to work around here; we had a bill called up, and we had amendments. This is, sadly, typical of the way things are these days in this institution. If the majority leader just accepted my offer, we could actually be debating and amending this bill instead of wasting time. How does the majority leader expect to achieve consensus when one side doesn't have the chance to offer any input at all? That is the way the Senate used to operate.

Look. If the majority leader wants this bill to pass the Senate, then there is a very good likelihood he is going to have to find a way to pay for it. I will be offering one idea on that front; that is, paying for a longer extension by dropping the mandate that forces Americans to buy insurance they don't want. But if they don't like that idea, there are others. One is a bipartisan idea endorsed by the President that ensures individuals can't draw both Social Security disability benefits and unemployment benefits at the same time. Senators COBURN and PORTMAN both have versions of that. There is another plan offered by Senator AYOTTE that would cut down on fraud in refundable tax credits. There are plans for job creation that will be offered by Senators PAUL, THUNE, and INHOFE.

These plans take a different approach than the government-led one we see from our Democratic friends. They rely on unlocking the potential of the private sector to actually increase employment. Why don't we have a vote on them in the Senate? I am sure there are many Democratic ideas out there as well, but we won't get the chance to debate any of them as long as the majority leader keeps blocking us from offering amendments.

This obstructionism by the Democratic majority is against the traditions of this body, and it needs to end because if Democrats truly want to get anything done this year, they are going to have to learn how to work with us.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

EMERGENCY UNEMPLOYMENT COMPENSATION EXTENSION ACT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 1845, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to Calendar No. 265, S. 1845, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. REED. Mr. President, it has been 11 days since Federal unemployment insurance expired for 1.3 million Americans, and every day more Americans lose their benefits as their 26 weeks of State benefits expire.

I hope my colleagues join Senator HELLER and me in our efforts to swiftly pass this 3-month extension. Many of my colleagues have talked about issues with respect to a longer term piece of legislation, the cost of it, should we pay for it, and are there changes necessary in the program to make it more effective and efficient. Those are thoughtful and worthy considerations, but they should not deprive 1.3 million Americans—and that number is growing each day—basic benefits. These are modest benefits—about $300 a week—that allow them to just keep their families together, keep trying to search for a job.

I would point out that the only way one qualifies for this benefit is, No. 1, if someone had a job and they lost it through no fault of their own, and they are constant in keeping up the search for work. That is one of the requirements. It is all about work. In this economy, it is all about the fact that there are two or three job seekers for every job. In some parts of the country—in Rhode Island, Massachusetts,

Nevada, Arizona, Tennessee, States that have high unemployment—it is not just three to one, in some cases it is more.

I mentioned on the floor just 2 days ago an article that appeared in the Washington Post that talked about a new dairy opening, or reopening, in Hagerstown, MD, with 36 jobs. They thought there would be a large demand for the jobs, but there were basically 1,600 applicants for 36 jobs. That is not unique to that town in Maryland. That is, unfortunately, something that is happening all across this country, and it reflects the need to extend these benefits immediately.

We have serious issues to work out, but we understand, or we should understand, that to do it carefully and thoughtfully requires time and requires the attention of the experts in the relevant committees. In fact, I can recall coming down here before these benefits expired asking unanimous consent to extend them for 1 year, and one of the responses, one of the objections from my colleagues on the Republican side was we have to do this through the committee. We have to do this thoughtfully and deliberately. We have an opportunity to help people who desperately need help and start that deliberative process, and I hope we do that.

Yesterday, we took an important step forward. We procedurally moved forward to start consideration of this legislation. I wish to thank again Senator HELLER and all of my colleagues who joined in that vote. That has given us a chance to finish the job, but it is going to be a very difficult job to finish.

I think what we can do immediately—and this might be a two-step process—is quickly pass the Reed-Heller legislation—90 days, unfunded. It will immediately put money into the economy. It will immediately help struggling Americans who are looking for work—they have to in order to qualify for these funds—and it will help overall the economy. As the CBO has projected, if we do not fund for the year unemployment insurance, we will lose 200,000 jobs; 200,000 jobs which would be generated by this program will be lost.

So we will have a double whammy. We will still have people unemployed searching for work without any assistance and some, in fact, will stop searching. They will give up. Then we will not have the creation of additional jobs because of this money going into the economy, generating further demand, and further demand generating a need to keep people on and hire some more.

I hope we can finish the job we started yesterday. It was a very important step forward and a very important step forward not only to help individual families, as I suggested, but to bolster economic demand throughout the economy and that is going to lead to growth.

I find it somewhat ironic when I hear some of my colleagues talking about, oh, we truly need to create jobs. That is what we have to do. Yes, we agree. But there have been so many proposals that have been presented both by the administration and by my colleagues that have not been given consideration—creating a national infrastructure bank which will fund, through a quasi-public mechanism, highway construction, bridge renovations, sewer lines, and those things—that have been languishing for months and months and months and months. So we should get on with those things, I agree. But the immediate crisis is helping these 1.3 million Americans, and that number is growing.

There is another reason why it is particularly critical to talk about the extended unemployment benefits that are the subject of our debate. We should not end this program now. As this chart indicates, long-term unemployment is much higher today than it has ever been when we terminated these benefits. In April of 1959, when they ended the extended benefits, it was .9 percent—long-term unemployment. In April 1962, .9 percent; .4 percent in March of 1973; .9 percent in 1977; 1.2 percent long-term unemployment in 1985; 1.3 percent in 1994; 1.3 percent in 2003; and today, 2.6 percent of long-term unemployment.

We are in a new situation. These could be structural market changes which are making it harder and harder for some people to find employment, even after searching desperately, and that is exactly who this program is designed to help. The State program, the initial 26 weeks, covers people who lose their job and then relatively quickly—relatively quickly—can find other employment. This program is the one that is designed for those people who, for many reasons, are having difficulty finding a job over many weeks and months. Today we are at twice the level we have ever been when we considered cutting off these benefits. Actually, we have cut off these benefits. It was December 28.

For that reason alone, this issue of extended benefits has to be addressed first, I would argue, on an emergency basis. Then let's think long and hard about longer term efforts to address the problem. Many of my colleagues have suggested issues with respect to job training, with respect to incentives for education, and all of them are worthy, but they can't be done in the context of dueling proposals on the floor. They have to be done thoughtfully. If we can quickly adopt the Reed-Heller bill, it will give these long-term unemployed—this record number of long-term unemployed who have been cut off from benefits—it will give them help and give us time.

We have heard from countless citizens all across the country, and they come from all walks of life and from every aspect of unemployment. The other day, Senator KLOBUCHAR released a report from the Joint Economic Committee which was extremely well done and which described in detail the recipients. There is no one age group. It spans the gamut. There is no one ethnic concentration. There are some geographic areas that are doing quite well, but there are areas that are doing quite badly that are scattered across the country. Rhode Island and Nevada are, unfortunately, leading the list of states with high unemployment. They are very dissimilar States, thousands of miles apart, different economies entirely, but they are caught up in this same problem of unemployment and particularly long-term unemployment.

The people who are unemployed are not sitting around passively. They are out looking every day. In Rhode Island I have met people who have worked for 30 years. They are in their fifties. They had good jobs. They were bookkeepers. They were white-collar professionals. They are trying to take care of an elderly parent, they have responsibilities to children, and they desperately want to work.

One constituent who wrote to my office has been out of work since December of 2012. He has applied to over 300 jobs. He has taken additional classes at our local community college in the hopes of becoming a more attractive candidate for employment. Yet he remains out of work.

Another constituent who has lost her benefits doesn't have enough money to pay her bills and they have to move in with a sister because she can't pay the rent.

That is what is happening. This is not some academic exercise, some rhetorical ideological debate. This is about helping real people who want to work and they can't find a job after desperately looking for one.

A third constituent wrote me the following letter:

> I never thought that I would be among the unemployed, but here I am after over 30 years of experience in my field in higher education administration. I used to make 60K a year and now my unemployment benefits run out in mid March. I have been searching for a job not only in my field, but also doing anything possible using my transferable skills. I have not received an invitation for any interviews at all. . . . So to those who say that extending benefits causes people to stay unemployed longer—they are wrong. When you lose your job, you would do anything to gain employment and regain your dignity. No one wants to subsist on unemployment compensation. Please keep up the fight for extended benefits. It has been a lifeline for me.

Thirty years of experience, retraining already undertaken, searching relentlessly for a job. An important point here, too, is it is about the economics, but it is also about an individual's dignity and their identity. I don't care who you are. A job helps define who you are. It gives one a sense of esteem and accomplishment, whether one is mopping floors or directing the operations of the hugest national corporation. For my colleagues to suggest somehow, well, yes, if someone is a CEO of a company, that is very valuable work and that gives them self-esteem, they miss the point. A job well

done, whether it is cleaning floors or merging companies, gives the kind of satisfaction and the kind of self-respect that is critical. So this is about money, yes, but it is also about giving people the opportunity as Americans to live out their full potential, to contribute to their family and to the economy.

There are 1.3 million Americans and more each day who are facing this same dilemma, and that is why Congress needs to create jobs today and help Americans compete for the jobs of tomorrow. It means taking a multifaceted approach with things such as restoring our manufacturing might by focusing on advanced technologies, ensuring local businesses have access to the capital they need to grow and expand, improving our schools and workforce training programs to ensure we have a highly educated and skilled workforce, and investing in our infrastructure. All of these things have to be done, but it is going to be very difficult to do them in the context of this legislation. That is why again I urge, let us move this bill forward. Let us help these people who are struggling and working very hard and then let us put ourselves on a very fast track to deal with these issues—manufacturing renaissance, job training.

We have not reauthorized the Workforce Investment Act since 1998. That is the basic sort of education program for those adults and for people looking to move into the workforce, and the world has changed a lot since 1998. That is the result of some indifference. I would ask why in 1998, with a Republican Congress, and in the last few years of the Clinton administration, from 2000 to 2006, a Republican President, a Republican Congress, we couldn't do those things. It is not a time to assess blame, but it is a time to point out the situation that if we want to get these issues done, let us start moving, but let us not leave these unemployed Americans behind indefinitely without hope.

Mr. DURBIN. Will the Senator yield for a question?

Mr. REED. I would be happy to.

Mr. DURBIN. I would like to ask a question of the Senator from Rhode Island through the Chair.

There has been a debate on the floor, and we have heard it off the floor, about whether we should pay for unemployment benefits. Historically, if I am not mistaken, most of the decisions to extend unemployment insurance benefits have been considered emergency measures and not paid for, and now there is a suggestion from many Republicans that we need to cut spending in areas to compensate for this extension of unemployment benefits which, if I am not mistaken, are in the range of $25 billion or $26 billion a year.

One of the suggestions yesterday from Republican Senate leader MITCH MCCONNELL would, not surprisingly, address the Affordable Care Act, so-called ObamaCare, and would eliminate one of the basic protections in that law. What Senator MCCONNELL proposed yesterday was to eliminate the responsibility of every individual to have health insurance, which was put in the law so we could have a large pool of insured people and say to anyone with a preexisting condition: You will not be disqualified for health insurance.

So the Senator from Kentucky has given us this approach which the Republicans support: If you will agree to eliminate protection from health insurance for people with preexisting conditions, then we will allow you to give unemployment benefits. In other words, if you will eliminate this protection in health insurance for 300 million-plus Americans, we will give you 1 year of unemployment benefits for 1.3 million Americans. I might add, for the record, there are 1.9 million individuals with preexisting conditions in the State of Kentucky—the State of the Senator who made this proposal.

I would ask the Senator from Rhode Island, who has shown extraordinary leadership on this issue of extended unemployment benefits: First, would he address the issue of paying for these benefits? And, second, would he address the specific suggestion of the Republican leader that the best way to pay for the benefits for 1.3 million unemployed people is to reduce protections in health insurance for over 300 million Americans?

Mr. REED. I thank the Senator from Illinois.

Let me first address the issue of paying for the benefits. The Senator from Illinois is correct, typically these benefits are considered emergency spending and they are not offset. In fact, the legislation which was passed in the wee hours of January 1, 2013, as I recall, had a 1-year extension of unemployment benefits, unpaid for. It received overwhelming votes—I believe 89 to 8—a huge majority of Republicans and Democrats coming together. So a year ago, this issue of pay-for was not even on the table. And, by the way, I think it probably led to the creation, given CBO's estimates going forward, of roughly 200,000 jobs this year because it was enacted and it wasn't offset.

It goes to a second point about sort of the bang for the buck. This is one of the best commonsensical programs we have, because when we give these benefits to individuals and don't take other benefits, other funds out of the economy, it has a multiplier effect, some people estimate $1.50 for every $1 in terms of economic activity. And it makes common sense. These funds go directly from the recipient, not to their savings account or to build up, but right out to buying gasoline, keeping cell phone service on. By the way, if you don't have a car and don't have a cell phone today, you can't find a job, you can't go to the interview, you can't get the call for the interview, you can't apply for the job. It is not 1955 anymore, where you take the bus and hand your clipboard across the barrier to the clerk. You have to have this electronic connection to be in the workforce, as well as mobility.

So from the point of view of an economic national perspective: One, we typically have done these as emergency spending; two, you get a big bang for the buck when you do it that way. There is a strong argument that is probably the most sensible approach.

With respect to the pay-for the Republican leader suggested, I concur entirely with the Senator from Illinois in that it is robbing Peter to pay Paul. I am sure, not only these folks who are struggling to find a job, but of the 1.3 million people who are currently receiving benefits, I have to assume a significant number—at least some of them—have preexisting conditions. For the first time many of them are able to qualify for health care benefits. And to take this protection away for millions of Americans—you say it is 1.9 million just in Kentucky alone. It is a huge number across the country—would be bad policy, and it would in fact for many families be a crushing blow. Again, I don't think we have to rob Peter to pay Paul.

From an economic standpoint, we have typically done this without offsets because we want to have the economic stimulus and the demand creation which comes. But from a basic fairness point of view, we are going to go ahead and give benefits of $300 a week to people who need them. I want to do that. But we are going to pay for it by telling some families: No, you don't get insurance. Or: You have to pay $25,000 a year because your child has asthma. That is not fair. It is not good common sense and it is not good economics. So I concur.

To resume: We talked about some of the big issues here and paying for this bill. This is all in the context of deficit reduction, which we have made significant progress on.

The Bowles-Simpson report suggested that over 10 years we cut $4 trillion from the deficit, and we achieved roughly about $2.5 trillion of that, most of it coming from cuts to programs—not revenue increases, but cuts. So we have made significant progress on deficit reduction. We have to do more, but we have to do it sensibly and logically. And we have proposals we have brought forward.

I must commend my colleagues in the Senate. This was on a bipartisan basis. We passed an immigration reform bill in this body. It has languished in the House. But in that bill alone, scored by CBO, will cut nearly another $1 trillion in the deficit, which will get us to that target or very close to that target. Yet it is languishing in the House. If we can pass it, then this issue of deficit—which has dominated and been very important over the last several years—is something we can practically resolve. And, by the way, as I suggested in my colloquy with Senator DURBIN, if we pass this legislation,

it will help too in terms of stimulating economic growth, et cetera.

There are many things we can do. But, again, I go back to this point. These people are in a desperate situation. As my constituent wrote, 30 years of work, middle-aged, getting retraining, 300 applications, no interviews, looking for anything. It is not just about dollars and a check. It is about dignity. It is about who you are.

We have to respond and we have to respond quickly. And we have the opportunity to do this. As we look at a longer term effort, it doesn't foreclose and it shouldn't foreclose considering programmatic changes, considering if we would offset or not. In response to Senator DURBIN, I pointed out, typically we don't offset this program but we have at certain times in the past. My preference would be, frankly, to get this bill done and then look at this issue over the longer term without preconditions. So we have to be clear. We can move this and we should move it.

Again, this question of offsets seems to be coming up more and more, as was reflected in the comments of the Senator from Illinois. As we initiated this program under President Bush back in 2008—and the unemployment rate was roughly 5.5 percent, much lower than it is today—we did not ask for offsets every time. In fact, it was the exception to the rule. I think now is not the time, particularly in this 90-day proposal which Senator HELLER and I have.

We have worked through some difficult issues, and I commend Senator MURRAY and Congressman RYAN particularly for the work on the budget, and I think we can work through this issue. So I again urge that we thoughtfully and very conscientiously and collaboratively work together longer term, but not ignore the crisis today—not leave 1.3 million, and more, Americans dangling, uncertain, desperate, frustrated, losing not only their income but in many respects their identity and their dignity. We can do better than that. Then we have the time—we have the time to work constructively, collaboratively, and cooperatively to come up with principled proposals to extend these benefits for hopefully the whole year.

Madam President, I yield the floor.

The PRESIDING OFFICER (Ms. HEITKAMP). The Senator from Kansas.

REMEMBERING SONNY ZETMEIR

Mr. MORAN. Madam President, I appreciate the opportunity to be here on the Senate floor this morning since I am intruding on the discussion about unemployment insurance extension. However, I wish to take a few minutes to highlight the life of a Kansan who passed in late 2013.

At the end of last year, I learned of the death of a resident of Parsons, KS, in the southeast corner of our State. E.J. ''Sonny'' Zetmeir was a person of such optimism and so engaged in improving the lives of other people, I wanted to highlight and pay my respects to him and his family.

The community of Parsons lost one of its greatest champions when Sonny Zetmeir passed away. His humor and selflessness truly made an incredible impact upon that community.

Sonny had moved to Parsons, KS, from Grandview, MO, with his parents in 1965, along with a company his family owned that made cabinets. The company was called Grandview Products. He originally agreed with his family to stay in Parsons for a year to help get the business off the ground in its new location, but his commitment to his family and to his family's business continued to grow and he never left. He went on to purchase the company from his parents when they retired in 1982, and he helped build it into the outstanding cabinetmaking business it is today.

Under his leadership, Grandview Products grew from a local small business with 24 employees to a $50 million company with 430 employees, shipping cabinets from coast to coast. Today, the company is the largest employer in Parsons, and it also owns a facility in the neighboring community of Cherryvale.

Sonny's legacy as a businessman is rivaled only by his commitment to his community and improving the lives of others around him. As president and CEO of Grandview Products, he cared deeply about the health and well-being of his employees and their families. Through the recession of 2008, he fought hard to keep the company's doors open and keep as many employees as possible at work. When Grandview Products regained its footing, he worked to bring many of the former employees back to work.

Even when he received the devastating cancer diagnosis that would ultimately take his life, just a few weeks later, Sonny's thoughts immediately went to the well-being of his employees and their families. His wife Sophia relayed this story about his final weeks. She says:

> His number one concern was the company and his employees. It wasn't just his employees, it was the families that he was responsible for . . . Sonny was able to have a meeting with 216 employees. First, they all got a raise . . . so they wouldn't be afraid for their futures. No raises had been given in 5 years because of the recession. We're making money now, so everyone got a raise. Then, he told them who was going to be running what departments. Then, he told them how sick he was.

But his concerns for others and selflessness extended well beyond his business. He was passionate about Grandview Products being a locally owned company, and he felt a calling to serve the community through his service.

Over the years, Sonny donated cabinets to community projects, churches, and schools. He also encouraged his employees to be charitable in whatever capacity they were able. In fact, Sonny was so dedicated to giving back to the local community that he would only buy Girl Scout cookies from Girl Scouts in his home counties of Labette and Montgomery.

His service, honors, and achievements are numerous, and they include two terms as a trustee of Labette Community College and chairman of its capital fund campaign; 6 years as Labette County Republican chairman; board member of Meadowlark Girl Scout Council; and many years as president of the Parsons Area Community Foundation.

Sonny was named Parsons Chamber Business Person of the Year and the Kansas State Chamber Employer of the Year in 2003. He received the Kansas Manufacturers Association management appreciation award in 2007, and in 2008 he was chosen to receive the Cardinal Citation Award by Labette Community College. Since 1985 the Zetmeirs have cosponsored the Fourth of July fireworks at Marvel Park in Parsons.

I have always believed what we do here in the Nation's Capital is important, but the reality is we change the world one person at a time. So while what we do in the Senate matters, so much more is accomplished by a person like Sonny. Sonny Zetmeir lived that life. By investing his time and talent and financial support into the community where he lived, he made a difference every day. His involvement in the community and his selflessness serves as an inspiration and should be a role model for every American.

He was married to his wife Sophia for 51 years and was a devoted father to their 3 daughters: Ellen, Joan, and Amy. I ask the Senate to join me today in extending our heartfelt sympathies to Sonny's wife and to his family as they begin this new year in the absence of their loved one.

He was loved by them, and he will be greatly missed. If one's value in life is determined by whether or not you made a difference while you were here on this Earth, Sonny's life was priceless. God bless him and let him be a role model for all of us.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. MARKEY. Madam President, 1.3 million people already have not had a happy new year. That is because, when we tried to extend the emergency unemployment insurance before the holidays, the Republican leadership said no. The temperatures may be dropping to new lows, but we should not freeze unemployment benefits.

When the economy was collapsing and AIG, the multinational insurance company, needed funds, we found that money for AIG. But when the Americans who are still recovering from the very recession caused by these institutions need more unemployment insurance, we just cannot seem to find a way to get it done.

These are not just numbers. These people, 1.3 million people across the country and 60,000 in my home State of Massachusetts, now face the harsh reality in 2014 that their country no longer has their backs.

One of these people is named Vera Volk. She is from Lynn, MA, just north

of Boston. She is a 20-year employee in the biotech/pharmaceutical industry who was laid off in May of 2013. Her layoff was in part due to sequestration, cuts in the Federal funding of biotech last year.

Last month Vera lost her unemployment benefits when the emergency unemployment insurance program ended. Vera has suffered a double injustice. First, her job was eliminated through sequestration, and then she was denied the extension of her unemployment benefits. Without the additional unemployment insurance, Vera and her family now need help to obtain food and medical assistance. In the near future, Vera's family faces the loss of their car and their home. Thousands of families in Massachusetts are facing similar but equally difficult decisions due to the termination of this critical program.

Published reports say that unemployment insurance kept 2.5 million Americans, including 600,000 children, out of poverty last year alone. That is why I am a cosponsor of the Emergency Unemployment Compensation Extension Act that Senators REED and HELLER have introduced, to reinstate and continue Federal support for the emergency unemployment insurance program until the end of March. Under that legislation, unemployed residents of Massachusetts such as Vera Volt would be eligible to receive up to 35 weeks of additional unemployment benefits.

Today, there are approximately 11.3 million Americans out of work and looking for a job. In Massachusetts, the unemployment rate is 7.1 percent and approximately 245,000 are looking for work. Unfortunately, in too many cities such as Lawrence, New Bedford, and Springfield—all over Massachusetts there are cities with much higher unemployment rates. Those unemployed workers in Massachusetts and across this country are finding it extremely difficult to find a job in this market. According to the Economic Policy Institute, for every one job opening there are 3.1 unemployed workers. So 2 out of every 3 job seekers have no job that they can actually find. Yet we are going to pretend that there is a job for them to be able to find.

There are many people who believe they are not working hard enough to find a job. Let me tell you something. Back in 2000, the unemployment rate in the United States of America went down to 3.8 percent. Guess what happened. People who were unemployed took those jobs. When unemployment goes down to 3.8 percent, when the government and the private sector are doing their job, people come to work.

In Massachusetts in 2000, unemployment went down to 2.8 percent. People were not hiding under their beds. People were not pretending they could not work. When the job was there, people took it. This is not ancient history; this is 2000, 3.8 percent unemployment, 2.8 percent unemployment for the State of Massachusetts. People who are offered a job will take a job. The jobs are not there. It is not the fault of these families. It is not the fault of these job seekers. We should not be punishing them. We should not be punishing their families because this capitalist system is not producing the jobs right now.

We have to reach out with a helping hand to these families so they can make it through this difficult time when the system is failing them. Instead, we are going to blame them for not finding jobs that do not exist. It is a beautiful circular argument where you never have to help the people who are actually being victimized by a failure in the economy. The truth is—and I restate this—when it went down to 3.8 percent unemployment in 2000, employers called these people back and said we want to put you to work, and the workers said, yes, we are ready to do it.

Here we are, once again, back in this cycle where too many people are pointing the finger at the worker when we know the worker will do the job. We have to be honest. The system, this capitalist system, this interaction between the government and capitalism right now is not producing the jobs for these workers. We have to work on that. That is our responsibility. We should be humble enough to say that it is the government, it is the private sector, not working together smarter—not harder—in order to accomplish these goals for all of these workers across our country.

If we did that, I think that ultimately we would have the very interesting result, according to all economists, of actually injecting more funding into the economy, creating more jobs, not destroying an additional 200,000 or 300,000 additional jobs this year because we did not inject the funding that would be provided to the unemployed that would be spent on the economy that would keep it on the upward tick it is on right now.

Instead, paradoxically, we are going to wind up with Republicans, if they are successful in cutting off this funding for long-term unemployment, seeing unemployment actually rise instead of being lower.

We have to work together in a bipartisan fashion in order to make smart investments now that will create the jobs, continue our country's economic recovery, and lower unemployment. I believe that our national strategy for job growth must continue to emphasize the areas where we excel as a nation. It is education, it is health care, it is biotech, it is clean tech, it is technology in general, and it is the investment into these areas that continues to give us the opportunity to be an engine for job growth in the world.

But while we chase this dawn of a brighter economy, we must not leave behind millions of Americans and their families. Let's not punish those who are already the victims and who continue to be the victims of a Wall Street collapse because we, as a nation, fail to understand and identify these innocent victims who still sit up there with their families.

I hope we can come together on a bipartisan basis to continue this program which is such a lifeline to the unemployed, their families and our economy.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BLUNT. Madam President, first of all, on the bill before us, we should be sure to continue to remember, if you are an employee and do lose your job today or tomorrow or in coming weeks, in every State you immediately qualify for 6 months of unemployment. In States that have high unemployment you immediately qualify for an additional 13 to 20 weeks.

There are really two different debates going on here today. One is, is this really a long-term plan or a long-term policy? I suggest if this Congress and the administration spent the kind of effort and time on what it takes to create private sector jobs or encourage the environment where that happens, we would be spending our time much more wisely than we are as we continue to perpetuate a program that the majority would suggest should not even be paid for and many would suggest is just not a program at all.

Other things that are affecting our economy is why I came to the floor today. There are a number of things, from constantly talking about more taxes to higher utility bills to more regulation to, obviously, this overwhelming discussion about health care. I noticed the majority leader this weekend said that roughly a third of all the people who have been added to the insured roles because of the Affordable Care Act were because of a bill I introduced in 2009 that would allow dependents or children to stay on their family policies longer. I was the only one who introduced that bill in the House. I don't think it was introduced in the Senate. I thought it was a good idea then. I think it is a good idea now. Apparently, it is such a good idea that a third of all the people who have insurance that did not have insurance before are just because of that bill.

I have the bill before me. It was H. Res. 3887. It is 3½ pages that could have passed by itself—not 2,700 pages, 3½ pages that would have added a third of all of the people the majority of the Senate said had been added because of the Affordable Care Act. No taxpayer money involved; 3½ pages that would not have disrupted anybody else's insurance.

There were other solutions out there that would have made a lot more sense. I am tired of hearing from the administration that nobody else had any other ideas. Apparently my idea was one-third of all the people who have been added to insurance, according to the majority leader. Apparently, I had a third of all of the ideas, and they were in 3½ pages with no taxpayer cost.

Just as I suspect is the case with every Senator, I am getting letters, postings on our Facebook page, contacts through all of the social media every day, from Missourians who are seeing this is not working out like they thought it was going to work out. At Ozark Technical Community College in Springfield, MO, my hometown, the adjunct faculty there, as is the case in many community colleges, has taught an awful lot of the courses. I think 58 percent of the courses taught are taught not by full-time faculty members but by part-time members. The problem is those faculty members are now more part-time than they were before. Many of them were teaching 30 credit hours per year prior to this year. But largely because of the Affordable Care Act, they are now teaching 24 credit hours. They lost that percentage of their work, that percentage of their pay, that percentage of their ability to work with and be dedicated to students.

According to the Springfield newspaper, the Affordable Care Act is one of the reasons that for those faculty members, 58 percent of all the credit hours taught are taught by people many of whom were teaching 30 credit hours and are now are teaching 24 credit hours. There is only one reason that they are working 24 hours a week instead of 30, and that is because 30 is the point where benefits, according to the Affordable Care Act, have to be offered at a level that is defined by the Affordable Care Act, not defined by the community college.

In fact, some community college in America, I am sure, gave some benefits before for people who were part of the adjunct faculty, just not the benefits the Federal Government appears to think are absolutely necessary.

Let me go through a few emails from people who reached out to our office in recent days.

Jeffrey, from Blue Springs, MO, is a small business owner who offers health care benefits to his employees. Jeffrey said:

> It feels like a bait and switch. Get everyone to drop the coverage they liked, then stick it to them once company provided healthcare is no longer available.

When I was home—as I was for much of the break we just had—I asked people: What are you doing with your health care? Employer after employer who doesn't have 50 employees and is not impacted by this is saying: I think the government is about to take this over, and before they get in, I am getting out.

The 12 people at the dentist's office and the 36 people at the radio station either lost their health care January 1 or already know they are going to lose it next January 1, and the only reason is the so-called Affordable Care Act.

Marsha, out of Auxvasse, MO, has three children who are all under the age of 5. Her husband's employer has been informed that because of ObamaCare, they will have to absorb more than $1 million in order to keep providing insurance for their employees. The employer is still trying to do that, but the coverage is not what it was, the deductible is higher than it was, and one of the messages is ''We may not be able to do this much longer.''

Sabra and her husband, from Purdy, MO, were notified that they will lose health care—and did lose their health care—on December 31 because of the health care act. She said:

> We live on less than $14,000. Now we are at a point where we have to make a choice, food or medication, both of which I can no longer afford. So I choose to go without the much needed medication.

Theresa's husband—they are from Joplin, MO—lost his coverage on December 31. When she tried to sign up for health coverage at healthcare.gov, she was told they were ineligible because they were incarcerated. It turns out neither of them has ever been arrested or incarcerated at all, but they were ineligible because they were incarcerated.

I guess the greater point there is that he lost his health care. She would not have been on healthcare.gov and found out—much to her surprise—that the government believes she is incarcerated if her husband hadn't lost his health care at work.

Melanie, from St. Charles, MO, is a single mother of three. Her employers cut her hours because of ObamaCare. She is no longer able to work more than 28 hours a week and had to find two additional part-time jobs to make up for the job she lost.

Here is what she said:

> I feel like the government is working against me, and I am the person they say they are trying to help.

Jean, from St. Louis, said her insurance was canceled because of the President's health care plan. The most similar plan she could find in the exchange to the one she had before cost $775 per month, which is more than double what she was paying before the Affordable Care Act.

She said:

> Why did we break a healthcare system that allowed people to find what they needed, instead of just government making improvements to it?

Jefferson City Schools, which is in the same city as our State capital, said the health care plan will cost their school district $150,000. They have to pay for health insurance for substitute teachers, which they didn't pay for in the past. There are people who are listening to this who will think: That is fine; they are paying for substitute teachers. Many of those substitute teachers are no longer allowed to work 30 hours a week in school districts all over America, and then there are others in districts, such as this one, where it costs $150,000 more than it did.

The district officials in the article I read didn't go as far as to say the Federal Government is hurting more than it is helping, but they did point out that $150,000 is about three full-time teachers whom they won't hire whom they might have been able to hire otherwise.

Barbara, from Novinger, MO, said:

> For the first time in 50 years, my husband and I do not have health care. My hours have been reduced from 40 to 28 hours a week and they pulled out our insurance at work.

Interestingly, employers who provided insurance for years because they thought it was the right thing to do and the competitive thing to do are now taking a different view of this when the government begins to tell them what they have to do.

I think it is one of the most interesting applications of the health care law. When the government begins to tell you what you have to do, then suddenly it is OK not to do anything except what you have to do. How do you meet that criteria? How do you draw that line? You have people work less than 30 hours, you don't create new jobs, or you outsource your work.

Let me give three or four more examples as I finish with my time on the floor.

Sandra, from Springfield, is upset that her health care plan will require them to have pediatric dentistry and maternity care.

She said:

> I'm upset that my health care plan will require my husband and I to have pediatric dentistry and maternity care that we do not need to have.

I don't know how many letters like that all of us have received. The benefits are supposed to be better than the insurance they had, but for a whole lot of people, it turns out these are benefits they simply don't need. Suddenly, they are paying for benefits they don't need, and people who don't have insurance can have insurance once they get sick. How is that supposed to make any kind of economic sense or health care sense?

Mark, from Chesterfield, MO, said that his plan was canceled because his plan—back to my point, I suppose—didn't meet the requirements of the President's health care plan.

Here is what he said:

> My current plan will no longer be offered after December of 2014. This is a direct contradiction to President Obama's promise that I could keep my plan.

Some people lost their insurance on December 31 of last year. Other people have already been told they are going to lose their insurance December 31 of next year.

This letter is from somebody who works at the Ozarks Medical Center and lives in West Plains.

> We are a sole community provider, with the closest hospital providing the same level of care or above over 100 miles away. The loss of this healthcare system will devastate the economics of this community and surrounding communities.

What we are going to find is a system that is not designed to meet the needs of the people of the country. What we could have done is we could have given

them more choices to figure out what they need to meet their needs instead of coming up with a system that simply is going to leave so many people who had insurance 2 years ago without insurance 2 years from now. Surely that wasn't the goal, but people in this Chamber and Washington, DC, had better wake up and figure this out. Whether that was the goal or not, it is going to be the result if we don't do something about it.

The best thing to do is to start over—now that we have learned all we have learned over the last 4 years—and make changes to the best health care system in the world that will make it even better and work for more people.

I yield the floor.

The PRESIDING OFFICER. The Republican whip.

Mr. CORNYN. Madam President, despite the differences between the different sides of the aisle on the underlying legislation—particularly on the refusal so far of the majority leader to actually pay for the $6 billion cost of the 3-month extension of long-term unemployment benefits and adding that $6 billion to the $17.3 trillion national debt—I am confident both parties would like to find a way to deal with the problem of America's long-term unemployed.

There are people who don't necessarily want to collect unemployment benefits because they want a job and they want to work. They want to provide for their families.

Even as we stand here and debate yet another extension of Federal unemployment benefits, it is important that we keep the big picture in mind. Obviously, what we are talking about—just to remind everybody—is the basic unemployment program, which provides half a year or 26 weeks of unemployment benefits. Democrats want to extend that emergency measure, which was enacted after the fiscal crisis of 2008 and now appears to be permanent. We have spent $250 billion since 2008, and to continue to recklessly borrow money from our creditors, such as the Chinese, and others, and leave it for our children to pay back—how responsible is that?

The best way to help the unemployed and the best way to help Americans and America is to increase economic growth and increase job creation.

We had a grand experiment known as the stimulus, which was back in 2009 when we had $1 trillion worth of borrowed money. Grand projections were made at that time that if the Federal Government would just spend borrowed money rather than have the private sector do it, we would see unemployment rates plummet, and, of course, that has proven not to be the case. In fact, this economic recovery after the great recession of 2008 has been the slowest economic recovery we have seen since the Great Depression back in the 1930s.

Congress and the Federal Government can't adopt policies that hamper growth and discourage job creation and expect the economy to grow and jobs to be created. Let me say that again. You can't adopt policies that actually discourage small businesses from starting a business or growing their business and creating jobs and expect jobs and economic growth to follow. What that means is that, notwithstanding the good intentions of those who embrace some of these policies, they are actually hurting the unemployed no matter how many times they want to extend unemployment benefits on a long-term basis. Unfortunately, that is exactly what the Obama administration has done time and time again.

Let me say that I am confident President Obama would like to help people who can't find work. I am sure the President believes as well that ObamaCare will improve the health care system for 300-plus million Americans. The problem is that we have seen that this experiment in big government and government takeovers—whether it is of the health care system or through a $1 trillion stimulus package—simply has not worked. At some point good intentions have to give way to reality and the facts, especially when those good intentions are not translated into good results.

Let me give one example. Recently, I was in Tyler, TX—which is over in northeast Texas near Louisiana—at a restaurant doing a roundtable on the impact of the Affordable Care Act, or ObamaCare, on employers, such as the owner of the small diner where we met. He told many tales, but one story that stuck in my mind was of a single mother who, instead of working her normal 40 hours a week, was relegated to a part-time job of 30 hours a week, and that is in order for her employer to avoid the penalties and mandates of ObamaCare. So what this single mom has to do in order to compensate for her lost income is to find another part-time job. So instead of working 40 hours at one job, she works 60 hours at two jobs in order to make up for that lost income. Here again, if the President and his allies think we are going to make up for the lost wages this single mom is making by having her workweek cut from 40 hours to 30 hours, I think they need to think again. That is what I mean when I say the policies of this administration have actually hurt the very people they now say they want to help by increasing long-term unemployment benefits.

It is true that facts are stubborn, and there is a mountain of evidence that says if we pay people too generously, it actually discourages some people from actively seeking employment. In fact, several years ago, President Obama's own former chief White House economist said that ''job search is inversely related to the generosity of employment benefits.'' Translated, that means if we pay people too much not to work, some people are going to be persuaded not to look for work.

Indeed, I know there are perhaps many explanations for the slow economic recovery and the high rate of unemployment, which is up around 7 percent, including the largest number of people who simply dropped out of the workforce in the last 30 years, known as the labor participation rate. There are a lot of reasons for why we find ourselves where we are now. But adding benefits for people not to work and not dealing with the underlying problem of slow economic growth and people being discouraged from creating new jobs or making full-time work part-time work—we need to be looking at the root causes of the problem as well as the problems and the policies of this administration time and time again.

The majority leader and his allies want to extend benefits for 3 more months—3 more months. This is on top of the 26 weeks which are part of the basic unemployment compensation package. But my question is, if we want to extend it for 3 months, where will we find ourselves 3 months from now? Will we be met with yet another request for the extension of long-term unemployment benefits that adds another $6 billion to the deficit? What about 3 months later?

I hope I can be forgiven for saying this feels like a political exercise more than a sincere effort to deal with the underlying problem of joblessness in our country, particularly since we are $17.3 trillion in debt, something the President seems to not care one bit about. Also, as the Federal Reserve begins to wind down their bond-buying program, we are going to see interest rates go up and we are going to end up spending more and more tax dollars just to pay our creditors for the debt while we ought to be focused on dealing with some of the root causes of unemployment.

Let me get back to my point. Some Republicans have offered to find ways to pay for this 3-month extension. My impression is that if that were done, it would probably happen—for 3 months. But we have also suggested long-term reforms that would make our system of unemployment insurance more effective. Senator ALEXANDER, a former Secretary of Education and former Governor of Tennessee, discussed yesterday at our conference lunch some ideas he has, including making Pell grants—I think they are in excess of $5,000 per person—available so people can study job retraining at community colleges during that 26 weeks of unemployment. So if they can't find a job in their existing field, they can learn new skills that will allow them to get well-paying jobs in another field, using those Pell grants for job retraining.

There are a lot of good ideas about how we can improve the unemployment system if, in fact, the majority leader will just allow it. He remains agnostic, I would say, at this point about whether he is even going to allow us to offer amendments to pay for the 3-month extension or some of these good, solid ideas of dealing with the root problems

rather than just continuing to treat the symptom with the same lack of success in terms of decreasing joblessness and getting the economy back on track.

I know many of our colleagues on the other side share these same goals. Yet the majority leader has made it clear this week that he is more interested in rhetoric and political gamesmanship than in real reform. That is why I objected on Monday night when 17 Senators were missing. The majority leader wanted to have a vote on cloture that was doomed to fail. Why? Not because he was interested in a real solution but because he wants a ''gotcha'' moment, to say, look, with 17 Senators missing, the 60-vote threshold for cloture was not going to be achieved. What possible purpose could be served by having that vote then instead of doing it on Tuesday? The vote was moved to Tuesday, at which time that 60-vote threshold was met. The only conclusion I can draw is the majority leader was interested in a ''gotcha'' moment instead of a real solution. Fortunately, he reconsidered and moved it to Tuesday.

So far, the majority leader is refusing to pay for this extension of benefits. They are refusing to change the program by modernizing it, making it more efficient, and helping people learn new skills so they can get back to work, and they are refusing to consider any other ideas than those cooked up in the majority leader's conference room behind closed doors.

I have in my hand 11 Republican amendments, many of them are bipartisan or they enjoy bipartisan support. For example, Senator PAUL from Kentucky has the Economic Freedom Zones Act. I saw the President announce this morning—I think there were five and he calls them by another name—basically, the same sort of concept, looking at blighted areas and trying to provide incentives for investment and job creation in those areas of high unemployment. So Senator PAUL has a bill that would deal with that.

Senator PORTMAN from Ohio has a reform that would prohibit simultaneous collection of disability benefits and unemployment. That is double-dipping, it seems to me, and something we ought to be dealing with.

Senator MORAN of Kansas has a bill he calls the Startup Act 2.0, which is a jobs bill.

Senator COATS of Indiana wants to offset the extension of unemployment insurance by delaying individual and employer mandates for 1 year. The President has already done that unilaterally for employer mandates. Why not delay the individual mandate for 1 year and use that to offset this extension for 3 months of unemployment insurance?

So there are plenty of ideas out there. I mentioned some of them. Both of the Senators from Oklahoma have amendments that would be good amendments to offer on this legislation. The Senator from Louisiana has one. The Senator from New Hampshire has one. So these are at least 11 ideas. If the majority leader would allow us to actually have a real debate as opposed to a political exercise, I believe we could come up with a bipartisan consensus that would actually help deal with the underlying problem and not just treat the symptoms in a way that ignores those root causes.

Let me get back to what I think is cause No. 1 for the difficulties many small businesses are having and the difficulties many people who work for those small businesses are having; that is, ObamaCare. I realize some people would like us to believe this is all about the Web site and once the Web site gets fixed it is all going to be hunky-dory, regardless of the fact that more people have lost their current coverage by cancellation than have been signed up on the ObamaCare exchanges.

The administration seems particularly proud of the fact that ObamaCare has added hundreds of thousands of Americans to Medicaid. As we all know, this is the safety net program designed to help low-income people. The problem is Medicaid itself is a fundamentally broken program that is failing our neediest citizens. The problems with Medicaid are a stark reminder that access to coverage does not mean the same thing; access to coverage is different from having access to care.

Here is what I mean by that. In Texas only about one-third of doctors will see a new Medicaid patient. Someone might say that doesn't make much sense. It does if we consider the fact that Medicaid—this government program—pays doctors about 50 cents on the dollar of what a private insurance coverage would pay, and because it reimburses at such a low rate, some physicians have simply said: I can't continue to add new patients to my practice and be compensated 50 cents on the dollar. So they have limited their practice. That is what I mean when I say there is a difference between access to coverage and access to care.

Medicaid is sorely in need of reform. All across the country, Medicaid patients have been forced to endure the humiliating experience of walking into a doctor's office and then getting turned away because the office doesn't accept Medicaid for the reason I mentioned.

We have also seen lawsuits brought by providers and patients against their own State Medicaid Program, saying the reimbursement rates are so low, doctors can't actually see patients at that price. In Texas, a 2012 survey conducted by the Texas Medical Association shows that a large majority of Texas physicians agree that Medicaid is broken and should not be used as a mechanism to reduce the uninsured. Despite all of that, there are those who say that ObamaCare's Medicaid expansion will help hospitals cope with excessive emergency room visits. Again, the problem is that flies in the face of the facts. In a recent study in Oregon, Medicaid recipients in Oregon went to the emergency room 40 percent more frequently than people without health insurance. One might ask why in the world would they go to the emergency room for routine care if they have Medicaid coverage? Because they can't find a doctor to see them at Medicaid prices. Again, ObamaCare is creating the illusion of access but with no real access to care but for through the emergency room.

There are much better ways to expand health coverage than simply pushing Americans into a dysfunctional safety net program that is supposed to help the most vulnerable in our society but which does not. Our side of the aisle made that argument consistently 4 years ago, but the President and his allies chose not to listen and decided to go it themselves on a purely party-line vote when ObamaCare was passed. Maybe after voters render their verdict on ObamaCare in November, we will have another chance to revisit this issue.

Rather than asking the States to expand their existing Medicaid Programs, the Federal Government should give each State greater flexibility to design a program that meets those States' needs. What works best in Texas may not work as well in New York and vice versa. What we ought to do is give the States a defined amount of Medicaid funds with very few strings attached so they can create innovative programs that provide quality care. One of the good things about doing that is the States would actually be the laboratories of democracy we have talked about from time to time, where we can actually learn from best practices and innovations, and other States can then use that knowledge to improve access to quality health care at a more affordable price.

I will tell my colleagues that despite all of our differences over ObamaCare, Republicans and Democrats alike both want to find a way to make health care more affordable and more accessible. Unfortunately, ObamaCare has proven not to have worked out as the most ardent advocates hoped or promised.

Republicans believe the best way to achieve these goals is to leave the choices in the hands of patients. That is the fundamental difference between ObamaCare and the alternatives. The President wants the government to choose the plan, to choose the doctor, and to make those decisions for patients. We think it is better to leave those choices in the hands of patients, in consultation with their own personal physicians—a doctor they have come to trust over the years—to help counsel them on what are wise health care choices for themselves and their families. We can add to that by increasing transparency and enlarging a real marketplace so people can shop, as consumers do day in and day out. We know that kind of transparency in

terms of price and competition, when it comes to people providing a service, improves the quality, and it lowers costs. That is what our market economy teaches us. We know, I would hope by now, the answer is not to place more people into a broken government program that takes their choices away.

As I said earlier, good intentions do not always produce good results. But I would hope we would learn from our mistakes as individuals, as a Congress. The results of the last 5 years include some pretty miserable outcomes that I would hope would cause us to reconsider, as we go forward together, to try to address the problem of chronic joblessness in our society.

As I said, the last 5 years have given us the longest period of high unemployment since the Great Depression, a massive decline in labor workforce participation. The percentage of people actually looking for work has declined to a 30-year low. It has also given us growing income inequality—the thing the President says he cares the most about, but he does not offer any proposals that deal with the underlying cause, merely treating the symptoms by paying people extended unemployment benefits.

We have seen an explosion of job-killing regulations. I am reminded when I see the Presiding Officer that I think the city with the lowest unemployment rate in America is Bismarck, ND, if I am not mistaken. Close behind that is Midland, TX. The two things they have in common are the shale gas renaissance and the jobs that have been created by unleashing this great American job-creating machine and particularly in the energy sector. So what we need to do is look for ways to avoid some of the job-killing regulations, which make it harder, not easier, to produce those jobs in places such as North Dakota and Texas.

We have also seen millions of canceled health care policies, millions of people with higher premiums, not lower premiums like the President offered and promised. We have seen an unprecedented increase in our national debt and an incredible complacency when it comes to adding $6 billion more to our national debt for a 3-month extension of long-term unemployment benefits.

We have seen, not surprisingly, associated with all of this a huge erosion in the public trust in the Federal Government. That is why this side of the aisle has been pushing, and will continue to push, a new set of policies that address the biggest concerns of the American people and the biggest challenges facing the American dream.

The only question is this list of 11 bills that Senators on this side of the aisle would like to offer on this underlying legislation, not just to treat the symptoms of unemployment, but actually deal with the root causes—whether the majority leader is going to allow those amendments to be taken up, debated, and voted on, and to allow the Senate to work its will on a bipartisan basis. That remains to be seen. If he does not—and recent history does not give me a lot of optimism that he will—then I think it will become even more transparent that this is not an exercise in trying to help people who are out of work. This is an exercise in trying to politicize this in a way that distracts attention from the epic failure of ObamaCare and its wet blanket effect on the American economy and job creation.

So I guess hope springs eternal. You cannot serve in this body and hope to make a difference in the lives of the American people without being an optimist by nature, but, unfortunately, in the case of the majority leader and this, there is some doubt in my mind. I hope he proves me wrong. I hope he will open this up to an amendment process that will allow us to deal with the root causes and will not just be another exercise in gotcha Washington politics.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. DONNELLY. Madam President, family is important to Hoosiers. We work hard every day to care and to provide for our loved ones and to give our children and grandchildren the opportunity to live healthy and fulfilling lives.

We also recognize that strong families are often built on good jobs. Good jobs allow us to put food on the table, educate our children, and ultimately retire in dignity, and good jobs are, of course, critical for stronger communities and a vibrant economy. It all starts with jobs. Without good jobs, nothing else works.

As I have said before, most Americans think Congress can do something—even if it is just not doing any harm—to help create jobs and strengthen our economy. Unfortunately, over the last year, the partisan gridlock that has too often defined Congress has been in full force.

During the starkest example of the gridlock, the government shut down. A poll found that Americans cited Congress as the single biggest threat to our economy. That should have been a wake-up call for all of us, a clear signal to collectively focus on working together to give our families the opportunity to compete and succeed in the American economy.

Opportunity means creating the conditions for businesses to expand and to hire more workers. It means an economic environment that encourages the private sector to invest and innovate in an ever-changing global economy. It means providing American workers with the training they need to get the skills and education necessary to fill the jobs available today and to adapt to fill the jobs and careers of the future.

As we start a new year, I encourage us all to refocus our efforts and our attention on our responsibilities to the families we represent. To that end, I am focused on my opportunity agenda—a blueprint of commonsense policies designed to expand economic opportunities for Hoosier workers and workers all across our country, for businesses, and for their families in four critical areas where we can help create more good jobs: No. 1, going all-in on American energy; No. 2, providing American workers the training necessary to fill the jobs available today; No. 3, investing in our infrastructure; and, No. 4, keeping our country competitive through exports and innovation.

Why are these four areas important to families across our country? As the Presiding Officer knows, a strong domestic energy economy is at the foundation of our potential for economic success. Affordable, reliable energy allows families to heat their homes and to travel to work and to school. Affordable, reliable energy ensures businesses can manufacture products efficiently, on time, and can compete in our global economy. Affordable, reliable American energy ensures that we are investing our money here at home rather than each year sending hundreds of billions of dollars overseas to buy energy that is already here in the United States. The production of affordable, reliable American energy here at home creates jobs here at home, not overseas.

Our country is blessed with abundant energy resources. In fact, in my State of Indiana, we produce coal, biofuels, wind and solar energy, and natural gas—and we can do more.

Going all-in on American energy also means establishing smart regulations that protect our environment while also allowing our economy to grow. My home State of Indiana is a large producer of coal, as I know the Presiding Officer's home State of North Dakota is. We are annually in the top 10 of coal-producing States in the Nation. The coal industry supports over 3,000 jobs in 10 southwestern Indiana counties and contributes over $750 million to our State's economy.

Hoosiers count on the affordable, reliable energy from our home State coal. This is why efforts to regulate carbon dioxide emissions at coal plants should be realistic about the technology that exists now and not negatively impact our economy. If we do not address these standards in a commonsense way, the affordable, reliable energy that Hoosier families and businesses depend on is in doubt. We should also continue full speed ahead on technology efforts that will make coal a cleaner and cleaner energy source for all of our energy needs in the years ahead.

Indiana is also a leader in biofuel production, where more than 600 Hoosiers work at 13 ethanol plants and 5 biodiesel plants across our State. I have seen firsthand the good work being done at many of these plants. They use products grown here at home

to produce fuel here at home, to power vehicles here at home.

With ethanol and other biofuels, we are not, again, sending our hard-earned money overseas. We are putting our neighbors to work. We are putting their hard work into creating more energy and more opportunity in our communities and across our country. This industry is another example of American-made energy and American-made entrepreneurial leadership.

Second, it is very important we help our workforce hit the ground running by improving workforce development and training. The Department of Labor estimates there are 3.9 million job openings in the United States right now, despite a national unemployment rate of 7 percent and millions of Americans looking for work.

Estimates by the Manufacturing Institute indicate there are as many as 600,000 job openings in our country that remain unfilled because employers cannot find workers who have the necessary skills to do that job. We must make a better effort to close this skills gap.

I often hear from Hoosier business owners, educators, and workers about the pressing need to close the skills gap and have people trained in all of these opportunities and skills. Workers need to know that the time they spend training is more likely to lead to employment in a good-paying job, as employers are more likely to hire people they know have the training that is needed to be productive on day one.

Third, it is important we invest in infrastructure. Indiana is called the ''Crossroads of America.'' In order to live up to our name, we need the best roads, the best rail, the best airports, the best waterways so we can continue to expand our logistics and other transportation industries. Today, 22 percent of our bridges are structurally deficient or functionally obsolete. Seventeen percent of Indiana's roads are in poor or mediocre condition.

A good way to create jobs in Indiana and across the country is to establish the right conditions for investment in our country's infrastructure. I have and will continue to support encouraging investment by requiring government agencies to work together to cut redtape, set deadlines, and increase transparency.

We should be building things in this country, and that means expediting the transportation, energy, and other infrastructure projects that strengthen our economy.

Finally, it is important we keep Hoosier and all American businesses and industries competitive through the promotion of exports and innovation. We produce some of the best quality products in the world—from automobiles, to agricultural products, to medical devices—and we should continue to look for opportunities to sell these products to the rest of the world.

Manufacturing accounts for a big portion of Indiana's exports, and manufactured goods exports support nearly 23 percent of Indiana's manufacturing jobs. That is much higher than the national average. Small businesses account for nearly 17 percent of our exports. We need to do more to promote the good work of these Hoosier businesses.

American businesses are competing in an increasingly challenging global economy, and we must promote a global economy that is built on responsible and fair trade policies. I am a longtime supporter of cracking down on currency manipulation, which results in an unfair playing field for American manufacturers.

The Economic Policy Institute estimated that if we address global currency manipulation, we could reduce the U.S. goods trade deficit by up to $400 billion and create several million jobs right here at home, reducing our national unemployment rate. I have supported enhanced oversight of currency exchange rates, including new requirements that the Commerce Department investigate claims of undervalued foreign currency at the request of U.S. industry.

I also support using U.S. trade law to counter the economic harm to U.S. manufacturers caused by this currency manipulation, and tools to address the impact of this misalignment of currency on U.S. industries. We all know good trade policies create good jobs, fuel economic growth, and benefit consumers both at home and abroad. Yet we also must remember that trade only works when everyone is playing by the same rules.

That is why I testified before the U.S. International Trade Commission regarding the importance of maintaining existing antidumping and countervailing duty orders against unfairly traded imports of hot-rolled steel. The steel industry supports over 150,000 jobs in Indiana. These trade orders help maintain a level playing field for an already vulnerable domestic steel industry. Given a level playing field, Hoosier workers can compete with anyone in the world, which is why I was pleased the ITC ruled that these trade orders would be maintained.

It is critically important that our intellectual property is also respected and is also protected. We have a lot of work to do, but I am hopeful that Congress can learn from last year's dysfunction and start this year in a bipartisan way. Senators from both parties can agree, there is nothing more important to American families and American communities than good jobs. They want us to work for them and not worry about politics.

I look forward to continuing these opportunities and these efforts under my opportunity agenda. By working on commonsense, bipartisan ideas to go all in on American energy, to give workers the tools they need to hit the ground running, to invest in our infrastructure, and to keep homegrown businesses competitive through exports and innovation, we can help lower unemployment and build a stronger economy.

I yield the floor.

The PRESIDING OFFICER (Ms. BALDWIN). The assistant majority leader.

Mr. DURBIN. Madam President, 50 years ago today, in his first State of the Union Address, President Lyndon Johnson committed America to what he called a war on poverty. Over the next several years, America conducted the most ambitions, determined, and successful campaign in history to reduce poverty since the Great Depression.

Later today, my friend Senator HARKIN, the chairman of the Senate HELP Committee, will speak in detail about the accomplishments of the war on poverty. I hope my colleagues will listen closely. Senator HARKIN himself has spent over four decades in Congress working to make sure these anti-poverty programs continue to work.

We believe on our side of the aisle that we have to be careful in spending taxpayers' dollars. But we also believe in a safety net, a safety net for those Americans who, because of circumstances beyond their control, need a helping hand. I once worked for a man who served in the Senate. He was my inspiration to enter public life. I am honored today to have his Senate seat. He was Paul Douglas of Illinois. He once said, ''To be a liberal one does not have to be a wastrel.'' He went on to say, ''We must, in fact, be thrifty if we are to be really humane.'' I think we can balance both. We can help people who need a helping hand, but we can do it without wasting taxpayers' dollars.

So what did this war on poverty of 50 years ago, that has been much maligned, achieve? Medicare. Medicaid. The Head Start Program. The Elementary and Secondary Education Act, which was the first time our Nation committed the Federal Government to helping local school districts; special education legislation, the Higher Education Act, which increased grants, loans, and work-study opportunities.

My story is a story that many can repeat. I went to college and law school borrowing money from the Federal Government. It was called the National Defense Education Act. I borrowed money to get through college and law school; otherwise, I could not have done it. The deal was that starting a year after graduation, you paid it back over 10 years at 3-percent interest. I like to think that loan from the government, which I paid back, was a good investment. It sure was in my life, for my family, and I hope some people in Illinois might think it was a good investment for the Nation. But it is an indication that a helping hand from the government can make a difference, a profound difference in a person's life.

Before the Higher Education Act and the war on poverty, just over 9 percent of Americans had college degrees.

Today almost one-third of Americans have at least a bachelor's degree. There has been no act of Congress, since President Lincoln pushed through the land grant college system during the Civil War, that has done more for higher education to democratize it and to give us the scientists, doctors, and other educated citizens we need.

Before the war on poverty, before the Higher Education Act, before Federal loans for students, take a look at the colleges and universities. It was the province of those who were well-off. It was the province of great alumni who took care of their sons and daughters. It was a very sophisticated group of people who went on to higher education. It did not include a lot of folks like me, the son of an immigrant woman who grew up in East Saint Louis, IL. But I got my chance, and millions like me got their chance, because of the war on poverty, because of the Higher Education Act, and because of the thoughtful programs of this Federal Government that gave me and many others a helping hand.

What else was in the war on poverty? The Civil Rights Act of 1964, one of the most transformative laws in our history; the Voting Rights Act of 1965, which some view as the most important civil rights legislation in our history; the Fair Housing Act of 1968; we expanded efforts to feed families who were hungry; we created the food stamp program, now known as SNAP; and we created the School Breakfast Program.

How important is the School Breakfast Program to America and to education? Visit a school. Meet the kids. Talk to the teachers about what a well-fed child is as a student compared to one who has stomach pains from lack of breakfast and lack of food.

A few years ago there was an interesting exchange, not surprisingly on the Glenn Beck show on Fox. There was an actor on there who was really upset about the growing role of the Federal Government. Here is what he said, this actor on Glenn Beck's Fox News show:

> We are a capitalistic society. Okay. I go into business and I don't make it, I go bankrupt. They, the government, aren't going to bail me out.

And then he added:

> I have been on food stamps and welfare. Anybody help me out? No.

Wait a minute. He was on food stamps and welfare. That came from the same government he was just maligning. Let me repeat that. This conservative actor said:

> I have been on food stamps and welfare. Anybody help me out? No.

That is an indication of how people get so far afield when they criticize the government without pausing to reflect. Folks used to say to us during the course of this health care debate: Keep government out of my Medicare. My Medicare is important to me. Do not mess it up. Do not let government—government created your Medicare. Government created Medicaid for the poor and disabled.

The idea or some variation on it seems to be the position of many of our friends across the aisle. When it comes to government efforts to reduce poverty and create opportunities for middle-income and poor families, they seem to think these programs are just going to reward the lazy.

We are in the middle of a debate right now on unemployment benefits. The belief on the Republican side of the aisle is, if you give people enough money to pay their rent and their utility bills, to put gas in their cars, those lazy people will never go to work.

I do not believe that. Will there be people who cheat the system? Of course. There are wealthy people cheating our tax system. But the fact is, the vast majority of Americans given a helping hand want to get back to work.

The extension of unemployment benefits is the humane and right thing to do. It used to be the bipartisan thing to do. Right now, we are divided. We could only get six Republicans to step up to extend unemployment benefits in America. Those benefits are now cut off at 27 weeks. The average person is out of work in our country for 38 weeks. I have met them and I have talked to them. Perhaps people on both sides of the aisle should. These folks want to get back to work. They are desperate to get back to work. But if you do not give them unemployment benefits they cannot put gas in the car, they cannot pay for their cell phone. In this day and age, as Senator REED of Rhode Island said on the floor, that is how you go to work and find a job. You need to have your cell phone and your car to get up and go. It is not a matter of taking a bus and filling out an application on a clipboard any more. We need to give those folks a helping hand. Government needs to do it, because at this point in their lives they desperately need it.

I say to my friends in the right conservative circles, put down those Ayn Rand books for a minute and take a look at the real world and listen to some real economists too. The nonpartisan Congressional Budget Office tells us that extending unemployment benefits for the long-term unemployed will create 240,000 jobs in America.

How is that possible? How can spending $26 billion on unemployment benefits create jobs? I thought these folks were out of work. What do they do with the money they receive in unemployment benefits? Do they put it into the stock market, into their savings account? No. They spend it. They buy clothes for their kids. They pay the utility bills. They fill up their cars with gas. They put it right back in the economy because they are living literally day-to-day. So 240,000 jobs will be created if we extend unemployment benefits. For those who say we should not, sadly they are reducing the number of jobs available. That is the fundamental point that many on the far right do not seem to understand. Helping to reduce poverty and create opportunity in America is going to help us all. All of us. It creates a stronger economy.

I know PAUL RYAN. He is my neighbor, being a Congressman from the neighboring State of Wisconsin. I like him. We served on the Simpson-Bowles Commission together. He is thoughtful. We disagree on a lot of issues, but he is a thoughtful, conscientious person. But when he calls America's social safety net a hammock that creates dependency and perpetrates poverty, he is just plain wrong.

Opponents of government action who look at the fact that there are still poor people in America and conclude that therefore the war on poverty failed are just as wrong as he is. The official poverty level looks only at cash income. It does not take into account noncash benefits such as SNAP or housing assistance.

A recent analysis by the Center on Budget Policies and Priorities used a broader, more accurate measure of poverty called the supplemental poverty measure. That measure looks not just at cash income but noncash benefits. Using this more accurate measure, the center found that government benefits elevated 40 million Americans out of poverty in 2011.

We have these Republican critics of the food stamp program who say: It is just plain wrong that so many people are drawing food stamps. They ought to go out and meet these people. Who are these people? Out of the 43, 44 million Americans drawing food stamps, over half of them are children, dependent children who are receiving enough money through the food stamp program for their parents to put food on the table. There is also a large portion of them who are elderly and disabled, and a large portion, 1 million, who are veterans. Those are the recipients. Many of those who qualify for food stamps are working. They are not getting a very good paycheck. They are earning the current minimum wage, which is not enough to get by. Food stamps give them a little extra help each month to keep food for their family. That is the reality of low-income, hard-working Americans, a reality which sadly this Chamber is removed from many times. This Chamber does not realize what people are up against.

Social Security has had the largest impact of any program. But means-tested programs, such as SNAP, the earned income child credit and the child tax credit, lifted 20 million Americans, including 8½ million children, out of poverty. When the Republicans in the House particularly want to cut back on these programs, they are going to push these hard-working, low-income families deeper into debt and further away from the basics they need in life.

The poverty rate in America is already too high. Growing income inequality should be an embarrassment

to all of us. Lifting 40 million Americans out of poverty through the war on poverty programs and government assistance is an undeniable success. Without the public social safety net, the poverty rate in America would be nearly twice what it is today.

Joe Califano served as the Secretary of Health, Education, and Welfare under President Johnson. Here is what he said 15 years ago:

If there is a prize for the political scam of the 20th century, it should go to the conservatives for propagating as conventional wisdom that the Great Society programs of the 1960s were misguided and failed social experiments that wasted taxpayers' money.

Nothing could be further from the truth. In fact, from 1963 when Lyndon Johnson took office until 1970 as the impact of his Great Society programs were felt, the portion of Americans living below poverty dropped from 22.2 percent to 12.6 percent, the most dramatic decline over such a brief period in this century.

Califano went on to say:

This reduction in poverty did not just happen, it was the result of a focused, tenacious effort to revolutionize the role of the Federal Government in a series of interventions that literally enriched the lives of millions of Americans.

Some of the critics say that it is the job of churches and charities, not government, to help those who have hit a rough patch in life.

One of my ''sheroes'' in life is a woman named Sister Simone Campbell. She is the director of NETWORK, a Catholic social justice organization, and she is probably better known as the ringleader of the ''Nuns on the Bus.''

Sister Simone Campbell testified last summer at a House hearing chaired by Congressman PAUL RYAN of Wisconsin. She said that Bread for the World has calculated how much money religious institutions and charities would have to raise just to make up for food stamp cuts proposed by last year's House Republican budget.

Sister Campbell said: Every church, synagogue, mosque, and house of worship in the United States—every one of them—would need to raise $50,000 each year for 10 years to make up for proposed cuts that the Republicans wanted to make in the food stamp program in the House of Representatives. That is only one cut that they have proposed.

To say that the charities of America, which are legendary and well deserved in terms of their praise—to say that they can take care of this problem ignores the reality.

Denigrating and decimating antipoverty programs won't reduce poverty or create jobs or strengthen America's struggling and shrinking middle class. As President Johnson said nearly 50 years ago: ''Our time is necessarily short and our agenda is already long.''

So we ask our friends on the other side of the aisle to work with us to help Americans. Please start off by extending unemployment benefits for 1.3 million Americans. For goodness sake, at this time of year when most of this country is facing bone-chilling cold in Wisconsin and Illinois—we just went through it this week. I have never seen conditions such as this that I can ever remember—and to think that it might be part of an unemployed worker's family, wondering if they might be able to pay that utility bill, keep the kids warm, put some food on the table, while they look for a job—and we pick this moment in time to cut unemployment benefits.

We are a caring and compassionate nation. If we can't stand behind those who are struggling at this point in life, who are we? What are we? There are all kinds of excuses that could be made, but at the bottom line it gets down to something very basic.

John Kasich is the Governor of Ohio. He and I came to know one another when we were both elected to the House of Representatives some years ago. He is a Republican. He is one of the few who won in 1982 and went on to become Governor of the State.

He had a moment of reflection the other day, which I will paraphrase. He said: I would like to say to my Republican friends, when you die and get to the pearly gates, St. Peter is not going to ask you how much you invested in your life in making government smaller, you are going to be asked what did you do to help the poor while you were on Earth?

That is a legitimate question Governor Kasich raised, not only for Republicans but for all of us. What have we done to help those people who are struggling to get by—those who would be very interested in a long-term debate about growing our economy but are more interested in putting food on the table today. That is what it is all about.

The war on poverty successfully raised Americans out of poverty. The government stepped in when there was no place else to turn. That is truly the role of government, to be there when there is no place else to turn.

The American family, through its government, stood by those who were less fortunate. We have to do the same thing.

I will close by saying the proposal Senator MCCONNELL made yesterday troubles me greatly. He said: We will pay for the extension of unemployment benefits, $26 billion, but the way we will pay for it—the Republicans suggested—was to eliminate that section of the Affordable Care Act which guarantees that you can't discriminate against people because of preexisting medical conditions.

What the situation was before this law passed was, of course, if someone had a child with diabetes, if their wife was recovering from cancer, they might not be able to buy health insurance or if they did, it would be too expensive. We changed that. We said they can't discriminate against people with preexisting conditions.

Senator MCCONNELL came to the floor yesterday and said: We want to eliminate the personal responsibility section when it comes to the Affordable Care Act, we want to eliminate the so-called individual mandate, and that is how we will pay for 1 year of unemployment benefits.

What Senator MCCONNELL was suggesting was reintroducing into health insurance this discrimination against people with preexisting conditions for 300 million Americans as a way to pay for 3 months or 1 year of unemployment benefits. That is a terrible tradeoff.

I know how much the other side hates and loathes the Affordable Care Act. A Senator from Arkansas, Dale Bumpers, used a phrase often: They hate the Affordable Care Act like the devil hates holy water.

But the fact is to turn on 300 million Americans and to remove their protection under the Affordable Care Act against discrimination based on preexisting medical conditions to pay for unemployment benefits—what a Faustian bargain.

Is that the best the other side can come up with? It isn't.

The best they can come up with is to stand by these people, the less fortunate people among us struggling to find work and give them the basics of life, give them the necessities they need to get by. I am confident they will find a job, get back to work, and they will be taxpayers again someday. Let's stand by them, their spouses, and their children in this time of need.

That is what happened 50 years ago with President LBJ's State of the Union address. That is what should happen today.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mrs. FISCHER. As we begin a new year, the Senate returns with many significant challenges before us. One such challenge is the security of our citizens' private information.

Just before Christmas, news broke out that Target, a popular retail store in Nebraska and all across this Nation, had experienced an enormous data breach involving nearly 40 million debit and credit account numbers. That is nearly 1 in 10 Americans who had their sensitive personal information put in jeopardy.

Between November 27 and December 15, scammers silently stole massive amounts of consumer information from Target. The timing of this breach is significant, not only because it happened during the peak of the holiday shopping season, but also because this data is reportedly being sold on black markets around the world.

On December 20, Target announced: ''The information involved in this incident included customer name, credit or debit card number, and the card's expiration date and CVV.''

It was further determined on December 27 that encrypted PIN information, or encrypted personal identification numbers, associated with that data was also stolen.

This wasn't only an attack on Target, which has 14 stores in my home State of Nebraska, it was a crime against millions of hardworking citizens. Let me be clear. It is also much more than just a mere inconvenience for consumers.

Yes, such thefts complicate the daily routines of Americans, but it can also potentially damage their credit ratings, and it is an incredible tax on people's time. It also leaves many feeling vulnerable, including, unfortunately, the most vulnerable among us, the elderly.

As a Member of the Senate Commerce Committee, which has jurisdiction over this issue, I urge the chairman and our ranking member to begin looking into this matter further. Our Nation's entire data security system is in desperate need of revamping, and that is going to require congressional action.

What happened with that Target breach was not an isolated incident.

TJX Companies, which owns national retail chains TJ Maxx and Marshalls, was breached in 2007. Sony and Epsilon were also attacked in 2011.

We learned on New Year's Eve that the popular social communication platform Snapchat was also hacked, a breach of about 4.6 million user names with their corresponding phone numbers. These are only the latest examples, but we all know the problems run much, much deeper.

Identity theft has been the No. 1 consumer complaint at the Federal Trade Commission for the last 13 years in a row. The average financial loss for each instance of identity theft is $4,930, and it has been estimated that identity theft resulted in a $24.7 billion loss for our country in 2012.

Given these realities, we need to dedicate more time and energy to solutions that substantially improve the safety of our online activities. While the Target breach is important and deserves our attention, so too should the security risks posed by healthcare.gov, as well as the Federal and State insurance exchanges set up under ObamaCare.

Experian, a major U.S. credit reporting bureau, recently released its ''2014 Data Breach Industry Forecast,'' which states: ''The healthcare industry, by far, will be the most susceptible to publicly disclosed and widely scrutinized data breaches in 2014.''

As those who found out the hard way can tell us, healthcare.gov takes and holds a lot of sensitive information, including our social security numbers, names, and other information that can be transmitted. It has also been reported that hackers have attempted to break into the Web site at least 16 different times. Several experts say those numbers are very conservative estimates of known attempts.

Health and Human Services contractors also identified security vulnerabilities, which HHS ignored, before the site went public on October 1.

The protections and breach notifications standards for ObamaCare, which people were forced into, don't even meet the minimum standards put in place for the private sector. Every Nebraskan, and every American, has the right to know if their private information has been compromised because of ObamaCare.

Fortunately, data security appears to be an area where Republicans and Democrats can come together and do something positive for the American people.

We must take great care, however, not to make the problem worse. Smart policy results from an open, collaborative process, with input from businesses, consumers, and security experts. That is going to be the answer, not more red tape.

We should seek to streamline our data security laws to provide clarity and consistency. I look forward to working with my colleagues on the commerce committee to address these data breaches and to protect the integrity of Nebraskans' and Americans' personal information.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. While the distinguished Senator from Nebraska is still on the floor, I found much to agree with in her comments.

I hope that after we introduce the Personal Data Privacy and Security Act she may wish to become a cosponsor. This would better protect Americans from the growing threat of data breaches and identity theft.

Last year, according to Verizon's report, there were more than 600 publicly disclosed data breaches all over the country.

The recent breach of Target involved debit and credit card data of as many as 14 million customers. That is a reminder that developing a comprehensive national strategy to protect data privacy and cyber security remains one of the most challenging and important issues facing our Nation.

The Personal Data Privacy and Security Act will help meet this challenge, by better protecting Americans from the growing threat of data breaches and identity theft. I thank Senators FRANKEN, SCHUMER, and BLUMENTHAL for cosponsoring it.

When I first introduced this bill 9 years ago, I thought we very urgently needed privacy reforms for the American people. At that time, the threat to the American people was nowhere near as extensive as it is today.

The Judiciary Committee has favorably reported this bill in the past—Republicans and Democrats have joined together numerous times—but it has languished on the Senate calendar.

I wish to point out some of the dangers to Americans' privacy and our national security posed by data breaches that have not gone away. According to the Privacy Rights Clearinghouse, more than 662 million records have been involved in data security breaches since 2005. In Verizon's ''2013 Data Breach Investigations Report,'' there were more than 600 publicly disclosed data breaches.

These are just the ones that are publicly disclosed.

The Personal Data Privacy and Security Act requires companies that have databases with sensitive personal information on Americans to establish and implement data privacy and security programs. The bill would also establish a single nationwide standard for data breach notification and require notice to consumers when their sensitive personal information has been compromised. It provides for tough criminal penalties for anyone who would intentionally and willfully conceal the fact that a data breach has occurred when the breach causes economic damage to consumers. The requirement for companies to publicly disclose a breach will also encourage them to implement far better security than many have today.

Protecting privacy rights is of critical importance to all of us, regardless of party or ideology. I hope all Senators will join with this.

RETIREMENT OF BARRY MEYER

Mr. LEAHY. Madam President, I would like to speak for a few minutes on a personal matter. It is about a dear friend of mine, Barry Meyer. I would like to recognize his remarkable career. He is retiring this month from Warner Brothers after 42 years with the company.

We know that Warner Brothers is one of America's most legendary entertainment companies. It is a household name for families around the Nation. I think of the times I have walked through the company's grounds with Barry Meyer. We would talk about his coming there as a young lawyer and about the history of the company that he eventually came to lead. He showed an impressive sense of history, and it is gratifying to see somebody who takes such pride in his work.

We have all heard of Warner Brothers, but far fewer Americans have heard about the man behind the magic for the past 14 years. It is a testament to his leadership as chairman and CEO that he allowed the company and its properties to shine in the spotlight.

Despite his quiet style, Barry stood at the forefront of pop culture during his tenure at Warner Brothers. Think of movies and television shows such as ''Harry Potter,'' ''The Big Bang Theory,'' ''The Blind Side,'' and ''The Dark Knight'' trilogy. They made people laugh, cry, or simply marvel at the memorable productions that have sprung from his tenure at this company.

I would also note as a lifelong Batman fan that I have had the opportunity to see two of Barry's productions from the inside while they were filming. I can speak firsthand to the culture he fostered at Warner Brothers that brought people together and allowed creativity to flourish.

Barry first joined Warner Brothers in 1971—before I was in the Senate, I might add—as director of business affairs for the television division. In 1999 he became chairman and CEO. His steady leadership of the company came at a time when the entertainment industry was beginning to face new challenges. The industry was facing the rise of the Internet as well as the tremendous challenge of online piracy. Barry pushed the company to innovate, but he also became an important voice about the impact online piracy has on our economy and on industries that are a vibrant part of American life. His counsel has been invaluable to me as Congress has looked for solutions to address this issue. He has always been available to give advice—solid advice based on knowledge, not on emotion.

Warner Brothers has been one of the world's most successful entertainment companies under Barry's tenure, but he has also focused on humanitarian and charitable pursuits. He is a member of the board of directors for Human Rights Watch and the advisory board of the National Museum of American History here at the Smithsonian.

He was also recognized in 2006 with the American Jewish Committee's Dorothy and Sherrill C. Corwin Human Relations Award for his humanitarian efforts. I know that when he was given that award, his request was that the speakers not praise him but instead praise things of importance to all Americans. This is typical of Barry Meyer as a person.

Among these efforts was joining with his wife Wendy to establish scholarships at the University of Southern California to support students who have been in foster care. Barry and Wendy have wonderful children and grandchildren. They have a loving family with them. Visitors to their home find that it is a welcoming place that feels lived in, a place where children and grandchildren can feel comfortable and play. Barry and Wendy are fortunate to have that family. What they have done is they have worked to help those who have not necessarily had that advantage.

My wife Marcelle and I have gotten to know Barry and Wendy. They have been together with us in Vermont, here in Washington, and out in California. Some people who have the position he does might make sure everybody knows that they are important—not so with either one of them. They are down-to-earth and quiet. When we get together, we pick up the conversation we had months before. They make you feel as if you are a member of the family.

So this remarkable couple is going to be working in other endeavors.

There have been some great articles about Barry, as he looks back on his career and the work he has done to make sure the company remains in good hands with his successor. As he begins this next chapter of his life, I wish Barry all the best. I congratulate him on a wonderful and distinguished career. Warner Brothers and the entertainment industry are not going to be quite the same without him, but he leaves behind a legacy, an example for the next generation to follow. I know his successor, and I wish Kevin Tsujihara the very best in following him.

Madam President, I ask unanimous consent to have printed in the RECORD a December 29, 2013, article from The Wrap, which my daughter Alicia showed me.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From TheWrap, Dec. 29, 2013]

BARRY MEYER ENDS 42-YEAR TENURE AT WARNER BROS.—A MODEST MOGUL WHO SHUNNED THE SPOTLIGHT

(By Brent Lang and Lucas Shaw)

This year was Meyer's last at Warner Bros. after more than four decades at the studio.

One of the most low-key moguls in Hollywood, Barry Meyer will slip from the stage this January, when he relinquishes his title as chairman of Warner Bros.

But Meyer's 42-year tenure at the studio—a remarkable record in its own right, including 14 years at the helm—is notable for being one of the most effective in the studio's history.

Under his stewardship, Warner Bros. has consistently ranked among the industry leaders in box office, syndication sales and television ratings, launching franchises like ''Harry Potter,'' driving the international success of shows like ''Two and a Half Men'' all while managing the company during a rocky corporate merger with AOL, the rise of digital piracy and the steep decline of home entertainment.

And yet, Meyer, 69, is someone you rarely saw quoted in the media or taking victory laps with stars of the big or small screen—he generally left that to others.

Meyer gave up the CEO title to Kevin Tsujihara last March, but has remained as chairman to ease the transition. Next month, Tsujihara will succeed Meyer in that title as well.

Typical of Meyer's effectiveness behind-the-scenes came when the studios were trying to convince Chris Dodd, the former U.S. senator from Connecticut, to take the job as the movie industry's top lobbyist.

Meyer and Walt Disney Company Chairman Bob Iger took Dodd to dinner and suggested his reservations about becoming the Motion Picture Association of America's new chairman and CEO were unwarranted.

''He said 'Be a leader,' and that sounds like a simple enough thing to say—but that's what he was at Warner Bros.,'' Dodd told TheWrap. ''He was not a grandstander at all and he does not seek the spotlight. He was not worried if his name was in the press.''

Dodd also recalled that at a screening of ''Argo'' by the Motion Picture Association of America, Meyer stood in the back of the room as the audience applauded director Ben Affleck and the real life CIA agent Tony Mendez, whose heroism inspired the hit film. He waved off Dodd's attempts to take the stage and share in the adulation.

''That was a quintessential moment and that's why he got listened to every time he talked,'' Dodd said. ''People knew he never had agenda.''

Even Meyer's rivals agree that the mogul's style was one of unusual discretion (he declined to be interviewed for this piece). ''He never looked for recognition,'' Ron Meyer, vice chairman of NBCUniversal, told TheWrap (no relation). ''He never looked to have his name out there.''

Meyer's accomplishments came at a time when the entertainment industry was beset by tectonic changes in how people consume, distribute and pay for entertainment.

''He was a source of stability in a choppy sea,'' Hal Vogel, CEO of Vogel Capital Management, told TheWrap.

Warren Lieberfarb, the former head of home video at the studio, recalled that shortly after Meyer assumed his leadership role, Time Warner's rank and file became dismayed that the merger with AOL had sent the company's share price plummeting.

''There was a lot of discontent and agitation in the organization,'' Lieberfarb recalled. ''Barry brought stability to the company and boosted morale at a critical juncture in the post-AOL period and throughout the decade.''

Bob Daly, Meyer's predecessor as chairman, said his one hesitation in recommending him for the job was that he lacked experience on the film side of the business, but noted that his reservations were ultimately unfounded.

''He was a terrific executive and a good negotiator, but he wasn't a movie guy,'' Daly said. ''What he did do was hire great people and put them in a position to succeed.''

Meyer's partnership with Alan Horn, who oversaw the movie side of Warner Bros., and later with Horn's successor Jeff Robinov, yielded a string of hits such as the ''Harry Potter'' and ''The Dark Knight'' franchises and critical and commercial successes such as ''Argo,'' ''Mystic River'' and ''The Blind Side.''

''The biggest part of his management style was in his selection of people he would have run his divisions,'' Charles Roven, producer of ''Man of Steel'' and ''The Dark Knight Rises,'' told TheWrap. ''He had the ability to pick excellent people and to trust that they were doing a good job.''

Under Meyer, the television side of the business produced a stream of hits such as ''The Big Bang Theory'' and ''Two and a Half Men'' that made it an even bigger source of profits than the film business. Warner Bros. remains one of the most prodigious producers of television series in the world.

Meyer also was instrumental in turning the CW into a destination for younger female viewers with shows such as ''The Vampire Diaries'' and ''Gossip Girl.''

''In the syndication arena they've had great success and they've been able to establish some first rate shows,'' Bill Carroll, a television industry analyst for Katz Media Group, said. ''They have a diverse lineup and they have had success each season in introducing new shows.''

Facing a challenge from digital disrupters, under Meyer's tenure the studio pushed back against Netflix by limiting its access to new releases, while also signing deals with the streaming giants such as Amazon, that licensed television programs and other content. Warner Bros. has also been a key booster of UltraViolet, the studio backed cloud service that has helped bolster digital sales of films.

''Barry saw what was happening in the world,'' Les Moonves, chairman and CEO of CBS Corp., told TheWrap. ''And he encouraged his executives to experiment and figure things out.''

Not surprisingly, Tsujihara, the winner of a year-long executive bake-off that ultimately led to the departures of Robinov and TV chief Bruce Rosenblum, comes from the world of online distribution. Now he faces the challenge of maintaining Warners' success in the face of myriad technological and social challenges.

''Kevin is a really terrific guy,'' Daly said. ''He knows so much about the technology

and he's a good administrator. When you look at Warner Bros.' 90 years, it's an unusual company in that there's been a remarkable continuity of management . . . Kevin is the right man at this time to run this company, but the challenges that he faces will be completely different now than when I ran it or Barry ran it.''

''Barry continued the Warner Bros. tradition—you always groom your replacement,'' Daly added.

Mr. LEAHY. Madam President, I know I look forward to the next time Marcelle and I have an opportunity to be with Barry and Wendy, and while he may be retired, neither one of them is going to be sitting back doing nothing. I know them too well for that.

With that, Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COONS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COONS. Madam President, 50 years ago today President Lyndon Johnson challenged a joint session of Congress and the American people to begin a war on poverty. ''Unfortunately,'' President Johnson said, ''many Americans today live on the outskirts of hope. Our task is to replace their despair with opportunity.''

Since President Johnson first issued that call, Congress and our Nation have taken important steps to build and sustain a circle of protection around the most vulnerable in our society. That protection is not as complete or as strong as it can or should be, but through programs such as unemployment insurance—which we are considering this week in this Congress—we are more able to catch our neighbors when they fall and support them as they work to get back to their feet.

Earlier this week this Senate began debate on whether to extend emergency unemployment insurance for the 3,600 Delawareans and more than 1 million American job seekers whose benefits just expired. It is absolutely critical that we approve this extension.

During this fragile but sustained economic recovery, unemployment insurance has been a critical lifeline, one that has prevented millions of unemployed Americans from slipping further, falling into poverty. In 2012, unemployment insurance kept 2.5 million Americans, including 600,000 children, out of poverty. That means without Federal action to extend unemployment insurance, the Nation's poverty rate would have been doubled what it was. These numbers are for 2012, not the height of the recession.

So let's be clear about what we are debating when we discuss an unemployment insurance extension. These are long-term benefits for jobless Americans who have been out of work through no fault of their own for more than 26 weeks. When I say through no fault of their own, I mean it. People cannot get benefits if they are fired for cause. As they receive unemployment insurance benefits, they must diligently search for another job. So when we talk about the millions of long-term unemployed Americans, we are talking about folks who were laid off because of the recession, are fighting to get back on their feet, and rely on those benefits to keep their families afloat, to keep a roof over their head, food on the table, their families together, and sustain them as they continue looking for work.

Yet 2 weeks ago, funding for long-term emergency unemployment insurance benefits ran out. That meant $300 less weekly income for the average job seeker and that meant $400 million left our economy in just the first week.

In Delaware it pulled $877,000 out of our economy. That is money that otherwise would be spent in local grocery stores and our markets.

One of the most vexing comments I have heard in the debate over whether to continue these benefits is that they somehow incentivize people to not bother looking for jobs, to not be serious; they instead lull able-bodied Americans into lives of dependency. Given the people I know in Delaware, that is not just absurd, it is, forgive me, offensive. As President Obama said yesterday, it sells the American people short.

I have met a lot of people in my years of public service. I have heard from and spoken with Delawareans up and down my State who are relying on unemployment benefits that they paid into when employed. Every one of them would trade a job for not relying on unemployment insurance in a heartbeat. Let me share a few stories of Delawareans who have contacted me and shared how hard this has been for them.

Debbie from Middleton, DE, wrote to me that while she is receiving unemployment benefits, she has applied to 156 jobs. She has been interviewed three times. She is 56. She has worked diligently since she was a teenager. She has worked hard. She paid her taxes. She paid into this unemployment insurance system practically her whole life. Yet now when she needs it most, we fail to continue to provide this lifeline of support.

Linda from Newark wrote to me that on just $258 a week her family has been barely able to stay afloat. They are doing everything they can to keep up on their bills, to stay current, but even with unemployment insurance they have had to sell some of their family's treasured possessions and goods. She wrote to me:

This is no way for anyone to live. It's disheartening and it is difficult to stay motivated to keep searching.

Frankly, she said:

I am thoroughly fed up with being categorized as someone who lives off the Government by collecting unemployment benefits.

I agree with her because, frankly, Linda, you paid into these benefits for years. This is what it is there for.

John from Frederica told me he was laid off from the Dover Air Force Base in part because of the sequester and now depends on unemployment benefits while he continues diligently searching for another job. This is a man who is a Navy veteran, was willing to make the ultimate sacrifice for our country. Yet right now, because of the partisan gridlock in this Congress, we are not there for him and his family.

The millions of Americans such as Debbie, Linda, and John in Delaware face a very tough job market. Nationally, for every available job there are three job seekers. The longer someone remains unemployed, the harder it becomes for them to find work. The more their skills are out of date, the more difficult the search becomes and the more they need our support to sustain that job search.

I have seen these effects up close and personal in Delaware. In my 3 years as a Senator I have hosted 16 different job fairs to connect Delawareans looking for work with employers looking to hire, and I have been honored to partner with Senator CARPER and Congressman CARNEY in hosting these job fairs. In fact, we are hosting another one in Dover, DE, in just a few weeks.

When you listen to unemployed Delawareans and listen to them talk about their struggle, about how hard it is to keep making ends meet and get a job, you get a sense of how important these jobs are for their survival as families and you get a sense of how much more we can and should be doing to tackle long-term unemployment in America.

As poverty of opportunity and hope afflicts too many of our communities and darkens the lives of too many of our neighbors, let us not suffer in this Chamber from a poverty of imagination, determination, and ambition. On this issue, which is so fundamental to who we are as a nation and to our service to this body, we cannot give in to complacency and apathy. Fighting poverty is hard, and adapting our economy to the realities of a new era is a challenge we have struggled with for more than a generation. It is hard finding out how to realize an economy with growth that is both strong and more equitable, one that is dynamic and creative and competitive and also has a broad middle class, provides security for working families and leaves no one behind, an economy that invests in the dreams and aspirations of every child, but building that economy is surely one of the most urgent and difficult challenges we face. Doing so requires that we put aside our personal politics and ideologies and come together in areas where, until recently, there has been a broad and bipartisan consensus.

I now hear some of my Republican colleagues talk on this floor about the war on poverty, 50 years later, as having been an abject failure. They make sweeping indictments on government

action, putting small government ideology ahead of the shared national goal of fighting poverty. But this perspective misses the point. The original war on poverty was made up of a lot of programs, energetic initiatives that worked at every level of government, some that failed but many others that through steady and determined bipartisan work and steady improvement and refinement over the years have become critical, central, and widely valued strands that hold together our social safety net. Medicare, Medicaid, Head Start, food stamps, unemployment insurance, all of these programs are valued and hold American families together and sustain American job seekers. Bipartisan leaders across the decades have reaffirmed the importance and value of these programs time and time again. These programs, let's remember, are about so much more than lifting people out of poverty. They are about keeping people out of poverty in the first place. We need them to build and strengthen the American middle class, which is one of the greatest legacies of this Nation.

As we search for ways to adapt our fight to new times and new challenges, there is no one way to win the war on poverty President Johnson declared 50 years ago. It is not a question of big or small government, Federal or local action. As President Johnson himself said:

> It will not be a short or easy struggle. No single weapon or strategy will suffice. . . . Poverty is a national problem. . . . But this attack, to be effective, must be organized at the State and local level. . . . For the war on poverty will not be won here in Washington. It must be won in the field, in every private home, in every public office, from the courthouse to the White House.

This was not an ideological call for big, centralized government. It was an all-hands-on-deck call, a moral call, for our Nation to meet a national challenge. Although we have made progress since he first addressed this Congress in 1964, his call to combat poverty remains just as important today, even as our challenges have evolved.

We have come a long way since the depths of our own great recession just a few years ago. More than 8 million private sector jobs have been created. There has been more than a three-point drop in the national unemployment rate. We have resurgent energy, housing, agricultural, and manufacturing sectors. Although a few years have passed since our economy sunk to its lowest lows, this crisis remains for those Americans and their families who are still struggling to find a job either for their families' food or to keep a roof over their heads.

This week, while we are debating extending emergency unemployment insurance, we should note this is not only obvious and necessary to do, it is the beginning of our real work of sustaining the war on poverty.

I am proud to be engaged in bipartisan efforts to strengthen the middle class, to focus on jobs and skills and manufacturing. We have to find bipartisan solutions that engage the private and public sectors, Federal and local governments, in putting our people back to work. While we do that, we cannot forget to continue to insist on a circle of protection around the most vulnerable in our society rather than allowing that valued circle to crumble. We have to remember we are all in this together, that ''there but for the grace of God go I,'' as we see those in our community, in our families who are struggling in this recovery.

We know that today it may be our neighbors, tomorrow it may be us. President Johnson called on us to focus on the best of America, the spirit that we hold each other up, the spirit that builds community through mutual sacrifice. As we begin our work in this new year to jump-start our economy and spread hope and opportunity, we must never forget that basic spirit which President Johnson called forth and which has kept this country moving from generation to generation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Madam President, I rise to speak on actually two topics; one on extending the unemployment benefit program that is so essential to the people of Maryland and to other fellow Americans and also to comment on the National Security Agency surveillance programs, the need for reform of the program but the need not to reject the mission of the agency and cast a disparaging light on the men and women who work there.

Let me start first though talking about unemployment benefits. I come with a great sense of urgency and passion that we need to extend these unemployment benefits that expired January 1. This is one of the coldest spells we have had in decades in the Northeast-Midwest area. I find it unfathomable, when it is so cold, that the big chill in Washington is that we are not going to extend the unemployment benefits, extending a warm helping hand to Americans who have lost their job through no fault of their own and have been unemployed for more than 6 months.

Where are our national priorities? If we cannot help one another, be a bridge to get to a job, then what is our government all about? We spend billions overseas—and I support that. We spend billions on tax breaks to send jobs overseas. I do not support that. I want to make sure that for the men and women who do not have a job today but are looking for one every day, that we help them out.

Senator COONS, the Senator from Delaware, just spoke and said today it could be your neighbor, tomorrow it could be you. I think we are going to be unemployed unless we start focusing on how to help the middle class. The middle class is shrinking and unemployment is staggering. We have to lower the unemployment rate, although I want to make sure that during this time while we look at how to create jobs, we continue to provide a social insurance program that helps people when they are laid off through no fault of their own.

My own home State of Maryland is right this very minute affected by 23,000 people—that is 23,000 families—who have now lost a modest benefit which averages out to about $313 per week. That enables people, while they are looking for work, to be able to pay for their housing, pay for their food, and pay for their heat.

There are those who are implying that if we provide unemployment compensation or assistance we are going to encourage sloth, laziness, laggardness; that they are going to kind of lounge around not looking for work.

Let me tell the story about Western Maryland. This is not BARBARA MIKULSKI; this is reported in the Baltimore Sun and in the Washington Post. We have a community called Washington County. The unemployment rate is 7.3 percent. Just a few years ago they had a Good Humor plant. They made ice cream. I visited that ice cream plant. Everybody was happy, and they were busy producing Good Humor, which was sold all over this country. Well, 2 years ago it closed, and 400 good-paying jobs left Hagerstown. That is the bad news.

The good news is a co-op dairy farmer came in, purchased it, and is now producing milk and ice cream but in smaller amounts. Guess what. They received 1,600 job applications for 36 job openings. They had 36 job openings, and 1,600 people in that small rural county applied for those jobs. There were 44 people for every job available.

Hagerstown has a great sense of patriotism. They sent many men and women to fight and die in the two wars we just fought. They have a great work ethic. They need an opportunity to have jobs. Don't tell those people in Hagerstown or in Salisbury or in Baltimore or throughout my State that they are too lazy. Maybe we are lazy; maybe we don't get the job done.

One of the quickest ways to jumpstart the economy, if we want to, is to pay unemployment compensation. All the data shows that unemployment insurance adds about $1.60 back into the economy.

I want to create a sense of urgency. I say to my friends on the other side of the aisle: Over a decade ago, you had a man run for the President of the United States who won. His name is George W. Bush. He campaigned on something that I thought was so interesting. I looked forward to actually hearing more about something he called a compassionate conservative. We understand that people are conservative. We understand that people are fiscally conservative, but the message was that we can be compassionate conservatives.

I say to my colleagues on the other side of the aisle: Remember the compassionate conservative message from

a decade ago, and remember that man's father said we need the points of light to light up America. I say, let's be a point of light here. Let's add a beacon of hope to the unemployed so we can help them. Don't be critical of those who can't find work.

Let's look at how we can have a job strategy. Let's get our infrastructure back so we can create jobs in the construction industry. Let's eliminate the tax breaks that send jobs overseas and bring the jobs back home. Let's do the tax extenders so we can get people working again. Let's put people back to work.

Pass unemployment compensation. Let's pass some job creation bills. Let's get America working again, and in order to do that, we need to get to work and pass the unemployment compensation bill.

NATIONAL SECURITY AGENCY

I want to also comment on something else, and that is the NSA, the National Security Agency, which I am very familiar with as a member of the Intelligence Committee, and it is also located in my State. I know the men and women who work there, and I know the mission they provide. I also know that a few months ago a man by the name of Edward Snowden lit up the airwaves with his illegal barrage of revelations about the role of surveillance that the National Security Agency played. Mr. Snowden provided a titillating, mesmerizing inside view of the United States. Whether he was a whistleblower or a traitor, I will leave that for another discussion.

Right now we know about NSA surveillance, and it sparked a lot of debate. I think that is good. I think that is healthy.

I come to the floor today, first of all, to thank President Obama for establishing a commission to look at this and make recommendations. My view is that we ought to review the recommendations of the Presidential commission. We need to make reform where reform is necessary, but let's not reject the mission of the National Security Agency that has protected us for decades and decades. Let us not reject the men and women who work there every single day, standing sentry to protect us against attacks, whether it is a terrorist attack or a cyber security attack.

Yes, we need to protect the civil liberties of the United States of America and honor our Constitution. As a member of the Intelligence Committee, and as part of my principles, I have always said: Before we ask NSA agents—or any member of any intelligence agency—to do anything, we should ask: Is it constitutional? Is it legal? Is it authorized? Is it necessary? Remember the criteria. I recommend that this be the grid of the prism we look at: Constitutional, absolutely; legal, a necessity; and authorize. NSA doesn't do it on its own. The authorization comes from the President and his intelligence apparatus. And last but not at all least, is it necessary to protect people?

I think we need to really work on this. President Obama established a review commission. I think it is great, and I think Congress should review it. I know appropriate hearings are already looking into that.

At the same time, we should practice reform. I am absolutely on the side of reform. I have joined with my colleagues in supporting reform for these programs. For years I led the fight on the accountability of leadership. Back in 2007, I wanted the head of the National Security Agency confirmed by the Senate. I was stiff-armed by the Congress. I was held back by the Armed Services Committee. We had to deal with the turf wars at the Pentagon: Don't meddle with our generals. Well, I wasn't meddling with the generals. I just think the head of the National Security Agency should be there. So let's get off of the turf wars and fight terrorist wars. Let's restore confidence in the National Security Agency and have its head confirmed by the Senate. I am a great admirer of General Alexander.

The committee also recommends that the next head of NSA be a civilian. I think we ought to look at that. I think we ought to examine that and see what is in the best interests of the mission of the agency and what we need to be able to do. But whoever is the head of the National Security Agency, be they civilian or military, I think they ought to be confirmed by the Senate.

I also joined across the aisle with my great colleague Senator COATS of Indiana to ask that the NSA inspector general also be confirmed by the Senate to make sure that we have a confirmable position so there is a bona fide whistleblower route with a confirmable inspector general to make sure that NSA is doing the right thing and whistleblowers have an avenue to do it.

I also supported transparency to make sure that those NSA programs are accountable and as transparent as they can be. That doesn't mean we reveal the secrets of the United States. Joining with Senators WYDEN, UDALL, and HEINRICH, I have introduced an amendment to make the secret FISA court opinions were publicly available under certain circumstances.

I also worked with Senators KING, WARNER, and COLLINS to bring greater transparency to the FISA court through amicus curiae, or friend of the court, to assist in the consideration of novel interpretations of the law. There are those who say, in the President's report, that there should be a civil liberties council and a red team that can go in there. Let's talk about that. Let's debate it. Let's make sure there is more than one opinion before the court on its legality. I support those suggestions.

Let's look at the constitutionality. One judge recently said the NSA surveillance program, particularly under something called section 215, was shocking, and he said it was not constitutional, but 36 other FISA court opinions by 15 judges said it was constitutional.

I am a social worker. I am not a constitutional lawyer. Do you know who decides on what is constitutional? The Supreme Court of the United States. I think that Congress ought to call for—or the executive branch and the President—an expedited review of these programs. I would like to settle, once and for all, whether the programs and laws passed by the Congress in the area of surveillance—I would like to know if they are constitutional. If they are, then we know that. If they are not, then that ends the program. We will follow the law, and we will obey the Constitution of the United States.

Let's get to work here. Let's go to work here. Let's make sure that we are bringing about reform.

I want to talk about the mission of the agency. The National Security Agency is not a puzzle palace, and it is not some sneaky surveillance agency with people in tan raincoats and fedoras, hiding behind doors and spying on people. In fact, remember what they think they do—they think what they do is constitutional, legal, authorized, and necessary.

We need the National Security Agency. There is only one thing the 215 program does: It protects us against counterterrorism. They are there to protect us against counterespionage. They are there to protect us and make sure that weapons of mass destruction are contained. They are advocates for nonproliferation of weapons of mass destruction in cooperation with the CIA and NRO.

They also protect us in the area of cyber security. Those 80 million people who recently had their credit cards stolen at Target—we don't know if that was a job that was done in the United States of America. For all we know, it was organized cyber crime coming out of Albania or another Eastern European country with shoddy rules and regulations. We don't know. However, we do know the FBI and the NSA are working on it, as well as others. NSA's job is to look at what is over there. Some of our biggest bank heists in organized cyber crime are coming from over there. Did you know that one of the biggest thefts out of the Medicare Program was done by a cyber heist by organized crime out of Albania? Can you believe that? It was caught. In working with the inspector general at CMS, the FBI, and the NSA, we caught them, got our money back, and now we are back on track. So they do a good job, and we are kind of losing sight as far as these concerns about surveillance.

There is no doubt that we protect the civil liberties of the United States of America. We do believe in privacy. I am not going to describe the program or go into it, but I will tell you what really bothers me. What really bothers me is that somehow or another, through the media, and even conversations in this body, we are painting NSA

as if it were a bad, villainous, duplicitous, surreptitious agency. That could not be further from the truth. Somehow or another, the men and women who work there every single day, standing sentry on behalf of the United States of America on signals intelligence, are somehow or another to feel that something is wrong. The morale at that Agency is terrible. The morale at that Agency is falling. The morale at that Agency is not in a healthy situation.

We have to do something about that by showing respect for the men and women who work there. Most of them are civilians. They are some of the brightest people in the world. Did my colleagues know that the NSA is the largest employer of mathematicians in the world because of the code breakers, the cryptologists? They break codes. Who uses codes? It is not Mother Teresa.

Respect. Let's have respect because they are hard at work. While the rest of us were home for Christmas enjoying turkey or home for Thanksgiving, they were out there working. They were making sure there wasn't another Underwear Bomber. When our defenses appear to be lowest—when people are traveling on airplanes, when people are in the holiday spirit—they are working. They are working right now to make sure our Olympic athletes are safe, working with appropriate international law enforcement. They are at it every single day. Can't we give them respect while we sort out constitutionality and legality? Let's sort it out, but let's stop the finger-pointing.

I must tell my colleagues that I was taken aback today when I got my National Journal Daily and read where it says ''Obama Invites NSA Top Congressional Critics To Meet.'' I think it is always great when the President speaks with Congress, but he invited the critics of the program to the White House. I think that is good. I would prefer, though, to read—instead of ''inviting the critics,'' the phrase would have said ''reformers.'' Put me in the ''reformer'' category. If there are abuses, I am one of the first to criticize them. I have been part of reform. I intend to be part of reform, but I don't intend to be a part of rejecting the mission, and I don't intend to be a part of any effort that downgrades or downplays the contribution of the men and women who work there. So call the people reformers.

I hope the White House and this Congress will signal to the men and women at the National Security Agency that they are respected, that they are valued; as we pursue reform, we will always do our duty to ensure that what they do is constitutional, legal, authorized, and necessary. But don't blame them for the job we asked them to do. I think if we proceed with a spirit of reform rather than blame, we will be able to accomplish a great deal.

This is a big day in the Senate. Let's pass unemployment compensation. Let's do the reforms we need, and let's do a good job, as we are supposed to do.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I come to the floor this afternoon to talk about the fact that 50 years ago today President Lyndon Johnson made his first State of the Union Address. He used that date—January 8, 1964—to chart a new agenda for the country and to declare that America would take on an unconditional war on poverty. With that directive, Congress worked on some of the most successful programs in the history of our country: Medicare, Head Start, Pell grants, and expansions to Social Security. President Johnson knew that the devastation of poverty went deeper than just the lack of a job or the lack of basic needs. Americans in poverty didn't even have a fair chance to make a better life for themselves and their families.

Now, since 1964, economists estimate the poverty rate has now fallen by 10 percent when accounting for social safety net programs. So we are moving in the right direction, but we have a lot more work to do to give everyone the fair chance they need to succeed in this country.

For too many people today, the war on poverty is a daily battle just to make ends meet. More than 46 million people in our country live in poverty—46 million people. That is according to the Census Bureau. More than 20 percent—that is one in five of our kids in this country—live in poverty. So to win this fight, we need to strengthen the programs that support those in need.

Without question, one of the reasons we have seen a decline in poverty is because of the programs that provide a safety net for our most vulnerable Americans. In 1964 Congress created the food stamp program for those struggling to feed their families. Today it is known as the Supplemental Nutrition Assistance Program or better known as SNAP. In 2012 alone the program lifted 4.9 million people out of poverty, according to the Center on the Budget and Policy Priorities.

We have also worked to make sure preschoolers from low-income areas have the building blocks they need to start kindergarten ready to learn. Since the mid-1960s Head Start has provided early childhood learning and health services to more than 30 million children and their families.

That is the kind of progress we have to continue. Those programs and many like them have provided economic security and opportunity to millions across the country.

Yet even with the successes we have had in fighting hunger and ending unemployment, there are those today here in Congress who want to slash the very assistance that gives so many Americans today an opportunity to make better lives for themselves and their families.

We can't waver in the fight to give all Americans a fair chance—a fair chance to get ahead. We have to expand opportunities for young learners by investing in universal pre-K. We have to ensure that workers can earn enough to put food on the table by raising the minimum wage. We have to keep fighting, and we have to win the war on poverty.

I know personally how vital these programs are. When I was just 15 years old, my dad, who fought in World War II and was a veteran, was diagnosed with multiple sclerosis. Within just a few years he couldn't work anymore. My mom found a job. She stayed home to raise seven kids. The job she found wasn't enough to support seven kids, and my dad had a growing stack of medical bills. All of a sudden, my family, without any warning, had fallen on hard times.

This country at that time didn't turn its back on us. For several months my family relied on food stamps. It wasn't much, but it helped us get by. With the help of a government program—a government program—my mom was fortunate to attend Lake Washington Vocational Technical School and got the training she needed to get a better job so she could support her family. My older brother, my twin sister, and I were able to stay in college because of student loans and support from what we now call Pell grants—all from this government.

Even through those hard times, none of us lost hope. With a lot of hard work—and we had help from our government—we were able to get to where we are today. That is why I believe so strongly that here in Congress today, we have to expand that hope I had as a young girl to many more families and Americans who are struggling today.

Fifty years ago President Johnson recognized that poverty is a national problem, and that is why he made it a national priority. So I think we ought to rededicate ourselves today to that national priority. Let's work together here to support the men and women across the country who hope for their chance at the American dream. Let's not just commemorate this anniversary; let's begin to use and have a renewed energy to winning the war on poverty in our country once and for all.

Thank you, Madam President.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Hawaii.

Ms. HIRONO. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. HIRONO. Madam President, 50 years ago today President Johnson declared a war on poverty. He said:

Very often a lack of jobs and money is not the cause of poverty, but the symptom. The

cause may lie deeper in our failure to give citizens a fair chance to develop their own capacities, in a lack of education and training, in a lack of medical care and housing.

He proposed a broad range of new initiatives to address these deeper failures: Medicare, Head Start, the Elementary and Secondary Education Act, the Higher Education Act, and housing and transportation programs. These initiatives have given millions of people more opportunities to succeed and help them get back on their feet when they stumble. President Johnson called on Congress to take up these proposals because, he said, ''many Americans live on the outskirts of hope. Our task is to help replace their despair with opportunity.'' That is still our task today.

We have come a long way since 1964, but clearly the fight is not over. For years our American dream has been that if people work hard and play by the rules, they will succeed. However, the divide between the very rich and the very poor is as wide as it has ever been. Wages have stagnated, and more and more middle-class families struggle to get ahead and provide opportunities for their children.

We have to carry on the work that began 50 years ago and update it for the needs of our modern economy. Let's keep fighting to create new, good-paying jobs and sustainable American industries. Let's make sure all Americans have access to the education and training needed to get those jobs and succeed. Let's work to make sure that as our economy grows, so do middle-class incomes and the opportunity to climb into the middle class and beyond.

I wish to speak briefly about three ideas for these goals. First, let's increase the minimum wage so workers earn more than poverty-level wages. Second, let's make education more accessible from pre-K through college so that Americans are well prepared for the jobs of the future. Finally, let's strengthen the safety net programs that have kept so many out of poverty so working families can get through the tough times and get back on their feet.

First, our economy has grown fourfold over the last 50 years, but the poor and middle class have not seen enough of the benefits of this growth. According to Census data, the economy is producing 45 percent more per person than it was in 1987, but real median income has remained flat.

Workers earning minimum wage have fared even worse because today's Federal minimum wage has not kept up with inflation. The 1968 minimum wage, adjusted for inflation, would be $10.68 today, not $7.25. That means the minimum wage has lost one-third of its buying power. It is no wonder our families are struggling. The minimum wage should be increased.

Raising the minimum wage is important for many Americans, but it is particularly important for women. Most minimum wage workers—over 64 percent of them—are women. Today millions of women are trapped in minimum wage jobs.

The Federal minimum wage of $7.25 yields only $15,000 per year for a full-time worker. If this woman is supporting a child or an elderly parent, as is often the case, their family income would be below the Federal poverty line. Their situation is even more dire in Hawaii, where the cost of living is much higher.

Fighting poverty is a women's issue. Poverty hurts more women and children than men. More than 58 percent of adults in poverty are women. More than one in seven women—nearly 17.8 million—live in poverty. More than one in five children—about 21.8 percent—are poor, almost twice the rate for adult men.

The low minimum wage hurts not only workers—and particularly women workers and children—it is unfair to taxpayers. That is because minimum wage workers are often eligible for food assistance, housing vouchers, and other safety-net programs. This means we taxpayers are subsidizing companies that pay their workers poverty wages. If we want to reduce government spending—and make more workers fully self-sufficient—raising the minimum wage is a good place to start.

Second, expanding access to education—from birth to college and career training—will build new ladders out of poverty.

When I came to this country as an 8-year-old immigrant, my mother enrolled me in Hawaii public schools. That is where I learned English and developed a love of reading. When I graduated from Kaimuki High School, I attended the University of Hawaii. The Higher Education Act of 1965 helped me—and millions of other students—pay for college through work-study and low-interest Federal student loans. Today we need to strengthen our commitment to our next generation of scientists, architects, teachers, and innovators.

I know firsthand the power of a quality education. That is why for years I have been fighting for quality preschool in Hawaii and nationwide. Children in poverty come to kindergarten with half the vocabulary of their higher-income peers. If they start school already behind, how can we expect them to catch up?

President Johnson helped pass the Head Start Act. This law helped millions of poor children attend preschool, while parents got the skills they needed to help their kids at home. Since then, we have reformed and strengthened Head Start quality, but, still, fewer than half of eligible 3- and 4-year-olds can get a Head Start seat. Fewer than 1 in 20 eligible infants and toddlers can get a spot in Early Head Start.

The Federal Government cannot do it all. States and local governments want to do their part too. That is why Governors, educators, and legislators across the country—both Republicans and Democrats—have expanded State preschool in 2013. Let's support their efforts.

This Congress I worked with Senators HARKIN, MURRAY, CASEY, and others to introduce the Strong Start for America's Children Act. This bill would create a Federal-State partnership for high-quality preschool. It includes elements from our PRE-K Act so States such as Hawaii that have further to go can have more support as they build their preschool system.

The bill's supporters include parents, educators, business leaders, and even police. They recognize that we can pay for quality preschool now or pay later for law enforcement when kids drop out of school and commit crimes. Let's come together to get this done.

While we need to focus on helping kids start kindergarten ready to succeed, we also need to improve access to higher education when they graduate from high school.

With student debt skyrocketing, the Pell grant is a bedrock investment in college access. In 1978, the Pell grant helped pay for 75 percent of college costs at a 4-year public university. Today it pays for only a third.

This year I plan to introduce the Pell Grant Protection Act, a bill to strengthen and preserve the Pell grant. There is also more we can do—like simplifying the Federal student aid process, improving work-study, and expanding access to adult basic education. I look forward to working on these and other efforts in the Higher Education Act and Workforce Investment Act this year.

Third, let's strengthen our safety net programs, including Social Security, Medicare and Medicaid, unemployment insurance, and the Supplemental Nutrition Assistance Program, or SNAP.

These programs provide real hope and real opportunity for people. I know this because I have lived it. My mother raised three children by herself. Most of us have relied upon or known families who have relied upon food stamps or unemployment insurance. My mother's unemployment checks were a safety net for us, providing us with much needed temporary help. They gave us breathing room and put food on the table while she searched for work. I know the anxiety when the family breadwinner loses her job through no fault of her own.

These safety net programs have helped keep millions of Americans out of poverty. Using the Census Supplemental Poverty Measure, the national poverty rate has gone down from 26 percent in 1967 to 16 percent in 2012. Without safety-net programs, the poverty rate would have climbed to 29 percent. Seniors would have been hurt especially badly.

Thus, it is alarming to see many of my Republican colleagues calling to shred the safety net programs. They have proposed drastic cuts to SNAP, Medicare, Medicaid, Social Security, and a host of other vital supports.

The basic idea of the safety net is to prevent people from falling so far behind that they cannot catch up. So instead of making cuts, we should strengthen these programs and, of course, focus on creating jobs.

With the challenges facing our families today, the war on poverty continues. Let's not give in to the naysayers seeking to dismantle our safety net. Let's not retreat in our efforts to help people climb out of poverty. Let's fight even harder to provide an opportunity agenda, one that reaffirms the idea that if you work hard and play by the rules, you can get ahead. If we work together, I know we can get this done.

I yield.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PORTMAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PORTMAN. Madam President, I ask unanimous consent that Senator MCCONNELL or his designee be recognized from 2 o'clock to 2:45 this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PORTMAN. Madam President, I rise today to address the question that is currently before the body; that is, whether we should extend the emergency unemployment insurance for millions of Americans who are still unable to find work. This is in addition to the 26 weeks that is provided in most States—some a little more, some a little less—and the question is whether we extend this again, as we have done several times since the great recession. The question is, should we extend it and, if so, how should we extend it? Should we pay for it? Should there be some training or other requirements attached to it so it works better?

It is a good debate to have. I came on the floor yesterday to say let's have a full debate on this issue. It is one of great importance to folks who are unemployed. It is also important to our Nation as a whole that we deal with this issue, to encourage economic growth, to get people back to work. I was encouraged yesterday that the Senate majority would permit appropriate amendments to this legislation. That is one reason I voted to proceed, of course with the understanding that we would have the opportunity to talk about this issue, and debate it, and offer amendments. One ought to be how we pay for it.

Second, we ought to be able to deal with the underlying problem. Unemployment insurance is more of a bandaid, and we need to be sure we are dealing with the underlying problem of a weak economy and the lack of jobs and the lack of a connection between the skills that are needed and the jobs that are available. Let's really get at this problem in a serious way.

I will be frank. I heard from a lot of people in the last 24 hours—after the vote on the motion to proceed—that they were surprised that I voted to proceed and that other Republicans did as well because they thought Republicans would all vote against it. In fact, I saw some press reports this morning indicating that some of the Democratic leadership would have been happier had that motion failed last night because then they could say: Well, we are blaming Republicans for being obstructionist.

I do not think my colleagues who voted the other way were being obstructionist. I think their concern was that they were not going to have the opportunity to debate this issue and to offer amendments that are sensible, that are relevant to the issue at hand—like how we pay for it, how we improve unemployment insurance so it works better for those who are unemployed.

But anyway, for my part, I took my colleagues at their word when they said they were serious about actually improving unemployment insurance and taking serious steps to deal with the lack of growth and economic opportunity in our economy today. So in good faith I voted on this motion to proceed yesterday, hoping again that we would be willing here in this body to have real debate, which is what the Senate is supposed to be about, have a debate over the long-term fiscally sound way forward on unemployment. I have come to the floor today in an effort to be sure that people understand there are alternatives out there, offer a specific idea to pay for the insurance, one that deals with fraud and abuse, one that is out of the President's budget actually, one that should be bipartisan.

I have heard earlier today, some have come to the floor on their side of the aisle and said: We should not pay for this extension. We should just go further into debt and deficit. My question would be: If we can pay for it, why would we not? Why would we want to take the country further into deficit this year, bust the budget caps that we just established in the budget agreement? I was one of nine Republicans who voted for that budget agreement. It was not perfect, but it set up a process going forward where we can get back to our constitutional duties here in the Senate of actually appropriating, meaning the oversight necessary of the Federal departments and agencies. There has been none over the last 4 years when we have not had a budget. Then prioritizing spending. That is what we are supposed to be doing. That is our constitutional responsibility.

It also did not raise taxes. It also does have a little bit of deficit reduction—not as much as it should have; it was not perfect, but it enabled us to move forward. So I voted for that budget. Now we are talking about, right after that, putting forward an unemployment emergency extension that is not paid for, that will bust those very caps. I am told a budget point of order is going to lie against this because of it.

That is not the way we should go. Let's pay for it. The debt and deficit are affecting our economy today. It is like a wet blanket over the economy. You cannot have trillion-dollar deficits year in and year out. This year it is $680 billion. People are saying, well, that is great.

Are you kidding? That is the fifth highest deficit in the history of our country. It all adds up to a $17 trillion debt—unprecedented. I believe that is understated given all the liabilities we have as a government. But the point is, we have never had debts of this level. They are historic levels. It is not only the wrong thing to do for our economy today and to help getting people back to work, but it is also clearly unfair to do to future generations. We have some young people on the floor this afternoon. It is even immoral that we are leaving this to them. So let's pay for this.

I was glad to hear Senator REID say yesterday of our efforts to fund this legislation, ''If they come with something serious, I'll talk to them.'' Well, I have something serious—I think other Members will as well—something that reflects, in my case, reforms proposed in the President's own budget, ideas that should be bipartisan.

My amendment would close a loophole that opens the system to double dipping. What do I mean by that? It is called concurrent receipts, where somebody is getting one Federal program, and then another Federal program they should not be eligible for if they have got the first one, specifically, people who are both on Social Security disability insurance, meaning they cannot work, SSDI, and also receiving funds from unemployment insurance, which means you are looking for a job or you are working. We also add trade adjustment assistance. That is exactly the same theory.

We should not allow double dipping. In fact, we should stop this abuse. This is in the President's budget. This reform makes sense. Social Security disability was designed to help people who are unable to work because of a serious medical condition. As we all know, the law requires those on unemployment insurance to actively seek out job opportunities. So the two do not work together. Let's stop the double dipping. These two programs are mutually exclusive. Those who cannot work should be on disability. Those who can work should be on unemployment insurance if they are eligible. By passing this simple amendment, we can close this loophole and save $5.4 billion, almost enough to pay for the entire 3-month extension that we are talking about on the table here today, which is about $6.2, $6.3 billion.

In addition, I will be adding another provision to my amendments that

takes the unemployment insurance program integrity provisions directly out of the President's budget. These are programs again in the President's budget to ensure that the unemployment insurance program is working properly, again taking out the fraud and the abuse in it. The President's budget instructs the Department of Labor to implement it. My amendment does too. By implementing the President's own plan to reduce these improper payments and speed reemployment, we save even more money in the long run. This pays for, again, this unemployment extension over 3 months.

I hope we can pass my amendment, pay for this extension, and show that this legislation is not just about politics—what we are talking about here on the floor is not just about politics, it is about actually helping people who are unemployed to get back to work. I hope when my Democratic colleagues say they are ready to take real action on getting our economy moving again, to help Americans who are suffering, they mean it.

By the way, the fact that we are having this debate, the fact that so many Americans are in need of long-term unemployment insurance in and of itself shows that something is not working. In fact, as we have talked about on this floor before, we are now at historic levels in terms of long-term unemployment, people who have been unemployed for more than 26 weeks.

The approach taken by the administration and many of my colleagues here and in the other body to bring down unemployment and get this economy moving does not seem to have worked, by their own standards. Recall that we had a stimulus package. It was said that unemployment would be far lower than it is today. So by their own standards, it has not worked. If it had, we would not be debating this today. We would not be talking about the need for an extension on an emergency basis of unemployment insurance.

We cannot spend our way to prosperity. That is what we tried to do, in my view, in the stimulus package. That is one reason it has not worked. We certainly tried that over the last 5 years. If you look at what the government has done, we spent trillions of dollars we did not have, we have burdened the next generation with previously unimaginable debt levels that we talked about earlier. We have now run 5 years of historic deficits—5 years, trillion-dollar deficits the first 4 years.

Before this administration we had never had a trillion-dollar deficit. Last year's deficit, again, $680 billion, the fifth largest in history, is certainly no cause for celebration, particularly when the Congressional Budget Office tells us that we are going to go back to trillion-dollar deficits within 10 years. So we obviously have a huge problem in terms of our debt and deficit.

What do we have to show for all of this spending that we did? Seventy-one months after the recession began, the economy has still not recovered the jobs we lost in that recession. This has never happened in the history of our country. We have never had a recovery this weak. We are down 1.3 million jobs. By comparison, we were up 10.4 million jobs at this point after the 1981–1982 recession. That recession was also deep. In fact, it was deeper if you measure it by the number of people who were unemployed.

Ronald Reagan came in, and frankly he took progrowth policies and put them in place and helped to create millions of jobs. By this time we were up 10.4 million jobs after that recession. We were up 9.8 million jobs after the 1990 recession at this point. We were up 4.8 million jobs after the 2001 recession. Remember that? The recovery was called the jobless recovery. Again, we have not even gained back the jobs at all yet after this recession. We were up 4.8 million jobs at this point after the 2001 recession.

Making matters even worse, 1 out of every 3 unemployed persons has been out of work for 27 weeks or longer. As I said, this rate of long-term unemployment is at levels we have not seen. You would think we would have learned a lesson here in Washington. You would think Washington would want to do something differently. Yet I heard the President and the majority leader just yesterday present an unemployment extension as if it were some kind of economic panacea, a silver bullet justifying their failure to pay for this extension with all of the growth they say it will generate.

Well, the Senate majority leader said yesterday, ''For every dollar we spend on unemployment benefits, it gets $1.50 back to us just like that.'' Just like that? Think about this. If unemployment benefits create so much growth, why would we just do a 3-month extension? Why not a 3-year extension? Why would there be any limit? Money may not grow on trees, but apparently in the eyes of some it grows from government programs.

That is not how the economy works. I know there are economists out there you can cite for just about anything. But the President's own economic advisors have written that unemployment benefits slow down the search for jobs. But we do not need to get into a battle of experts here. History has proven that just spending more money, even on unemployment benefits, is not the solution. It is not the long-term, serious solution to the problems we face as a country.

This extension, if it passes, will be the 11th time we have extended unemployment benefits in the last 5 years. These extensions have cost more than $200 billion. No economic boom has resulted from this spending, just as it did not result, as I said earlier, from the trillion dollars in stimulus money.

If spending were the answer, we would not be standing here today having this debate. We would be celebrating full employment. Our economy would not be better off if we had higher unemployment and we were paying out more in unemployment benefits. That is kind of the logical extension of what has been argued on the other side as to why we cannot pay for this. I cannot imagine anyone actually believes this.

Yet for too long we have treated government spending as if it does create wealth. If I take $1 from the Presiding Officer, take $1 from one person and give that dollar to someone else, that other person may be better off, but I did not add a dollar to the economy. Government programs have to come from somewhere. So that dollar is being taken from somewhere and given to somebody else. Somehow the notion is that is going to add to the economy.

Again, the logical extension is: Let's just continue to provide more and more government spending; everything will be great. That is not how it works. Dividing the pie up differently does not create more pie. It creates real, concrete progrowth policies to do that, policies that mean we are paying out less in unemployment benefits because more people have the skills they need to get good jobs. That is what we ought to be talking about.

Yes, I am willing to extend unemployment insurance and pay for it. But during that period, let's come up with a better unemployment insurance program that actually connects people to the jobs that are out there. Because there are a lot of jobs that require skills that are not being filled. Our employment system ought to, both for the long term and even for the short term, focus on that. How do you create better skills so that people have the opportunity, have the tools to be able to access those jobs?

Policies that allow more companies and small businesses to produce quality products they can sell here and around the world, creating better jobs and profits, would help. Implementing these kinds of policies is not as easy as extending unemployment benefits for a few months or raising the minimum wage. We will not be able to ram these kinds of policies through in a week on a party-line vote with no debate and no amendments. But there is a real solution to the chronic unemployment we are seeing in our States, and that is the only way to encourage the kind of income mobility that will close the income gap, not by tearing people down but by bringing people up. Progrowth economic policies obviously need to be part of the solution here. If we extend unemployment insurance, we should do so because people are hurting as a result of the failed policies in Washington. But we should not kid ourselves into believing that this extension alone will somehow solve these economic problems. Again, it certainly will not pay for itself. As I said earlier, you cannot take a dollar away from one person and give it to someone else and create more purchasing power. You are redistributing that across the economy.

It does not have to be that way. We can pass these pay-for amendments. I have my own amendments, as I said. Others have also proposed their amendments. I know Senator AYOTTE has an amendment I am supporting that, again, gets at fraud and abuse in government programs and says: Let's pay for the unemployment benefits.

She also, by the way, pays for veterans' benefits that were cut during the budget agreement we just passed. I also support that. She has a little left over for actual deficit reduction.

Senator COBURN is going to have a proposal out here. I think Senator HATCH will have one. Senator MCCONNELL will have one. My understanding is that Senator COBURN has one that is also out of the President's budget.

There are plenty of ideas here as to how to pay for this extension, short term, while we look at better ways to have the unemployment insurance system work, to connect people who are unemployed to the jobs that are out there, by giving them the skills they need. That is where the hard work begins.

We have got to get this country moving again. We have got to do things to actually increase economic growth and give people the skills they need to access the jobs that are out there. We need to pass bills such as the CAREER Act, bipartisan legislation I have introduced with Senator MIKE BENNET from Colorado.

In Ohio, we have about 400,000 people unemployed. We are told there are about 100,000 jobs right now open in Ohio. A lot of these jobs are high-tech jobs. Some are in advanced manufacturing, some are in bioscience, some in information technology. We need to be sure that the people who are unemployed get the skills they need to be able to take advantage of those jobs, those opportunities.

We can also start by working on tax reform. Everybody seems to talk about it. Let's do it. Corporate tax reform alone would result in a lot more revenue coming into the Federal Government by repatriating profits. It would help expand opportunities, not for the boardroom, for the people who work in those companies.

People who have looked at this at the Congressional Budget Office, the economic experts, have said: If we did corporate business tax reform, over 70 percent of the benefit goes right to the workers: higher pay, higher benefits. It is time to ensure that we have a growing economy, we are growing that pie, not just carving it up.

Let's streamline the regulations in this country. Currently the United States ranks 34th in the world in the time it takes to get a government green light to actually build something. Think about that. This is a key World Bank measure for ease of doing business. We want America to be at the top of that list, not halfway down that list. Unless we do that, we are not going to see the kind of investment we want in this country. How many jobs are lost every year because people cannot get a permit, that a good idea cannot be built? These are jobs that are there if we change the policies here in Washington, DC.

Congress continues to pat itself on the back for scoring political points rather than taking on these challenges that face our country. I can tell you who is not patting us on the back: It is the American people. They are not happy. They are not pleased with our progress. There is good reason. They are actually seeing their take-home pay go down as the deficit goes up, in, as the President talked about, a better economy.

Fifty years ago the United States declared a war on poverty. Yet poverty is still a major problem. The goal was noble, but the tools we used were not up to the challenge.

Since the recession began, 9 million more Americans have fallen into poverty and the median household income is down more than 8 percent. Poverty rates have actually increased during this administration with the policies we have.

It is time for a change. For decades we have exported to the nations around the world these principles that have allowed us to enjoy so much prosperity and success. We have said: Follow the American way; the free enterprise system works. We have preached to them this gospel, as well as our belief that by removing the shackles of government interference from the market—whether in the form of overregulation, overspending, or overtaxing—everyone can prosper.

As U.S. Trade Representative I had the opportunity to travel all around the world representing our great country. It was a great honor to tell people the benefits of liberalizing trade, knocking down barriers to increase economic growth and opportunity. It works. Entrepreneurs and job creators have lifted more people out of poverty around the world over the past few decades than any government program ever could because the free enterprise system does work. We need to get back to that.

Let's do something we can be proud of in this Chamber today. Let's empower the American people instead of the American Government. Let's not kick the can of spending down the road any longer. Let's take some votes. Not all of them are going to be easy votes, and they shouldn't be. After all, that is what we are elected to do—take tough votes. These votes we take today, though, can make a real difference in people's lives.

Let's start today. Let's pay for this legislation. Let's use these pay-fors we just talked about that are bipartisan, that are sensible, that can be supported on both sides of the aisle and in both bodies. Let's ensure that we put in place the progrowth policies so that we aren't just giving people a little more unemployment insurance for a few more months but giving them the opportunity to get a job and the dignity and self-respect that come with that.

I urge my colleagues to support my amendment, pay for this legislation, put politics aside, and get to work for the American people.

I yield back my time.

The PRESIDING OFFICER (Mr. HEINRICH). The Republican leader.

Mr. MCCONNELL. Mr. President, over the past several years those of us who are fortunate enough to serve have engaged in many fierce debates. Some have been forced upon us by external events, including a searing financial crisis, while others were brought about by an unapologetically liberal President who promised dramatic change and who has worked very hard to follow through on that pledge—in some cases, even in the face of legal obstacles and widespread public opposition. So change has, indeed, come.

Despite the daily drumbeat of headlines about gridlock and dysfunction in Washington, the truth is that an activist President and a Democratic-controlled Senate have managed to check off an awful lot of items on their wish list one way or another. Yet just as important as what they did, my colleagues, is how they did it because that also has been at the heart of so many of the fights we have had around here over the past few years. These conflicts haven't stemmed from personal grievances or contempt, as some would have it. They are, instead, the inevitable consequence of an administration that was in such a hurry to impose its agenda that it neglected to persuade the public of its wisdom and then cast aside one of the greatest tools we have in this country for guaranteeing a durable and stable legislative consensus, and that tool is the Senate.

Remember, I think we all know partisanship is not some recent invention. American politics has always been divided between two ideological camps. Today that is reflected in the two major parties, but it has actually always been there. On one side are those who proudly place their trust in government and its agents to guide our institutions and direct our lives. On the other are those of us who put our trust in the wisdom and the creativity of private citizens working voluntarily with each other and through more local mediating institutions, guided by their own sense of what is right, what is fair, and what is good.

Recent polling suggests that most Americans fall squarely into the latter camp. People are generally confident in their local governments but lack confidence in Washington.

Despite the political and ideological divides which have always existed in our country, we have almost always managed to work out our differences—not by humiliating the other side into submission but through simple give-and-take. It is the secret of our success. The same virtues that make any

friendship, marriage, family, or business work are the ones that have always made this country work. And the place where it happens, the place where all the national conflicts and controversies that arise in this big, diverse, wonderful country of ours have always been resolved, is in this Chamber.

I realize it may not be immediately obvious why that is the case, but the fact is that every serious student of this institution, from De Tocqueville to our late colleague Robert Byrd, has seen the Senate as uniquely important to America's stability and to its flourishing. In their view, it has made all the difference, and here is why—because whether it was the fierce early battles over the shape and scope of the Federal Government or those that surrounded industrialization or those that preceded and followed a nation-rending civil war or those surrounding the great wars of the 20th century or the expansion of the franchise or a decades-long cold war or the war on terror, we have always found a way forward, sometimes haltingly but always steadily, and the Senate is the tool that has enabled us to find our footing almost every time.

I mention all this because as we begin a new year, it is appropriate to step back from all the policy debates that have occupied us over the past few years and focus on another debate we have been having, and the debate we have been having is over the State of this institution. What have we become? It is not a debate that ever caught fire with the public or with the press, but it is a debate that should be of grave importance to all of us because on some level every single one of us has to be at least a little bit uneasy about what happened here last November. But even if you are completely at peace with what happened in November, even if you think it was perfectly fine to violate the all-important rules that say changing the rules requires the assent of two-thirds of Senators duly elected and sworn, none of us should be happy with the trajectory the Senate was on even before that day, even before November, or the condition we find the Senate in 225 years after it was created. I don't think anybody is comfortable with where we are. I know I am not, and I bet, even though there is nobody over here at the moment, I bet almost none of them are either.

I wish to share a few thoughts on what I think we have lost over the last 7 years and what can be done about it together. ''Together'' obviously requires the involvement, one would think, of some people on the other side of the aisle. Even though they are not here to listen, they have been invited.

Let me state at the outset that it is not my intention to point the finger of blame at anybody, although some of that is inevitable. I don't presume to have all of the answers either, and I am certainly not here to claim that we are without fault. But I am absolutely certain of one thing: The Senate can be better than it is. Many of us have seen a better Senate than we have now, no matter who was in the majority. This institution can be better than it is. I just can't believe that on some level everyone in this Chamber, including the folks on the other side, doesn't agree. It just can't be the case that we are content with the theatrics and the messaging wars that go on day after day. It can't be the case that Senators who grew up reading about the great statesmen who made their name and their mark over the years are now suddenly content to stand in front of a giant poster board making some poll-tested point-of-the month day after day and then run back to their respective corners and congratulate each other on how right they are. I can't believe we are all happy about that on either side.

Don't misunderstand me—there is a time for making a political point and even scoring a few points. I know that as well as anybody. But it can't be the only thing we do. Surely we do something other than scoring political points against each other. It cheapens the service we have sworn to provide to our constituents. It cheapens the Senate, which is a lot bigger than any of us.

Hopefully, we can all agree that we have a problem. I realize both sides have their own favorite account of what caused it. We have our talking points, and they have their talking points. We all repeat them with great repetition, and we all congratulate each other for being on the right side of the debate. I understand that. People over there think Republicans abuse the rules, and we think they do. But, as I said, my goal here isn't to make converts on that front; my purpose is to suggest that the Senate can be better than it has been and that it must be if we are to remain great as a nation.

The crucial first step of any vision that gets us there is to recognize that vigorous debate about our differences isn't some sickness to be lamented. Vigorous debate is not a problem. When did that become a problem? It is actually a sign of strength to have vigorous debates.

It is a common refrain among pundits that the fights we have around here are pointless. They are not at all pointless. Every single debate we have around here is about something important. What is unhealthy is when we neglect the means that we have always used to resolve our differences. That is the real threat to this country, not more debate. When did that become a problem?

The best mechanism we have for working through our differences and arriving at a durable consensus is the U.S. Senate. An Executive order can't do it. The fiat of a nine-person court can't do it. A raucous and precarious partisan majority in the House can't do it. The only institution that can make stable and enduring laws is the one we have in which all 50 States are represented equally and where every single Senator has a say in the laws we pass. This is what the Senate was designed for. It is what the Senate is supposed to be about, and almost—almost—always has been.

Take a look at some of the most far-reaching legislation of the past century. Look at the vote tallies. Medicare and Medicaid were both approved with the support of about half the Members of the minority. The Voting Rights Act of 1965 passed with the votes of 30 out of the 32 Members of the Republican minority—all but two Republican Senators. There weren't many of them. That was the year after the Goldwater debacle. Only two Senators voted against the Social Security Act, and only eight voted against the Americans with Disabilities Act.

None of this happened, by the way—none of it happened—by throwing these bills together in the back room and dropping them on the floor with a stopwatch running. It happened through a laborious process of legislating, persuasion, and coalition building. It took time and it took patience and hard work and it guaranteed that every one of these laws had stability—stability. Compare that—compare that, if you will—to the attitude behind ObamaCare. When Democrats couldn't convince any of us the bill was worth supporting as written, they decided to do it on their own and pass it on a party-line vote and now we are seeing the result.

The chaos this law has visited on our country isn't just deeply tragic; it was, my friends, entirely predictable—entirely predictable. That will always be the case if we approach legislation without regard for the views of the other side. Without some meaningful buy-in, we guarantee a food fight, we guarantee instability, and we guarantee strife.

It may very well have been the case that on ObamaCare the will of the country was not to pass the bill at all. That is what I would have concluded if Republicans couldn't get a single Democratic vote for legislation of that magnitude. I would have thought: Well, maybe this isn't such a great idea. But Democrats plowed forward anyway. They didn't want to hear it. The results are clear. It is a mess, an absolute mess.

The Senate exists to prevent that kind of situation. Because without a moderating institution as the Senate, today's majority passes something and tomorrow's majority repeals it; today's majority proposes something, and tomorrow's majority opposes it. We see that in the House all the time. But when the Senate is allowed to work the way it was designed to, it arrives at a result that is acceptable to people all along the political spectrum. That, my friends, is the whole point.

We have lost our sense for the value of that, and none of us should be at peace. Because if America is to face up

to the challenges we face in the decades ahead, she will need the Senate the Founders, in their wisdom, intended, not the hollow shell of the Senate we have today—not the hollow shell of the Senate we have today.

First, one of the traditional hallmarks of the Senate is a vigorous committee process. It is also one of the main things we have lost. There was a time—not that long ago—when chairmen and ranking members had major influence and used their positions to develop national policy on everything from farm policy to nuclear arms. These men and women enriched the entire Senate through their focus and their expertise. Just as important, they provided an important counterweight to the executive branch. They provided one more check on the White House. If a President thought something was a good idea, he had better make sure he ran it by the committee chairman who had been studying it for the past two decades. If the chairman disagreed, then they would have a serious debate and probably reach a better product as a result.

The Senate should be setting national priorities, not simply waiting on the White House to do it for us. The place to start that process is in the committees. With few exceptions, that is gone. With very few exceptions, that is gone. It is a big loss to the institution, but most importantly it is a big loss for the American people who expect us to lead.

Here is something else we have gained from a robust committee process over the years. Committees have actually served as a school of bipartisanship. If we think about it, it just makes sense. By the time a bill gets through committee, one would expect it to come out in a form that was generally broadly acceptable to both sides; nobody got everything, but more often than not everybody got something, and the product was stable because there was buy-in and a sense of ownership on both sides.

On the rare occasions when that has happened recently, we have seen that work. The committee process in the Senate is a shadow of what it used to be, thereby marginalizing, reducing the influence of every single Member of the Senate on both sides of the aisle. Major legislation is now routinely drafted not in committee but in the majority leader's conference room and then dropped on the floor with little or no opportunity for Members to participate in the amendment process, virtually guaranteeing a fight.

There is a lot of empty talk around here about the corrosive influence of partisanship. If we truly want to do something about it, we should support a more robust committee process. That is the best way to end the permanent sort of shirts-against-skins contest the Senate has become. Bills should go through committee. If Republicans are fortunate enough—if Republicans are fortunate enough—to gain the majority next year, that will be done.

Second, bills should come to the floor and be thoroughly debated. We have an example of that going on right now, and that includes a robust amendment process. In my view, there is far too much paranoia about the other side around here. What are we afraid of? Both sides have taken liberties and abused privileges. I will admit that. But the answer isn't to provoke even more. The answer is to let folks debate. This is the Senate. Let folks debate. Let the Senate work its will, and that means bringing bills to the floor. It means having a free and open amendment process. That is legislating.

That is what we used to do. That is exactly the way this place operated just a few years ago. The senior Senator from Illinois, the Democratic assistant majority leader, likes to say—or at least used to say—that if you don't want to fight fires, don't become a fireman, and if you don't want to cast tough votes, don't come to the Senate. I guess he hasn't said that lately.

When we used to be in the majority, I remember telling people: Look. The good news is we are in the majority. The bad news is, in order to get the bill across the floor, you have to cast a lot of votes you don't want to take—and we did it and people groaned about it, complained about it. Yet the Sun still came up the next day and everybody felt as though they were a part of the process.

Senator DURBIN was right about that when he said it. I think it is time to allow Senators on both sides to more fully participate in the legislative process, and that means having a more open amendment process around here. As I said, obviously it requires us, from time to time, to cast votes we would rather not cast. But we are all grownups. We can take that. There is rarely ever a vote we cast around here that is fatal.

The irony of it all is that kind of process makes the place a lot less contentious. In fact, it is a lot less contentious when we vote on tough issues than when we don't, because when we are not allowed to do that, everybody is angry about being denied the opportunity to do what they were sent here to do, which is to represent the people who elected us and offer ideas we think are worth considering.

At a meeting we just came out of, Senator CORNYN was pointing out there were 13 amendments people on this side of the aisle would like to offer on this bill, all of them related to the subject and important to each Senator who seriously felt there was a better way to improve the bill that is on the floor right now. But, alas, I expect that opportunity will not be allowed because one person who is allowed to get prior recognition can prevent us from getting any amendments or, even worse still, pick our amendments for us, decide which of our amendments are OK and which aren't.

I remember the late Ted Stevens telling the story about when he first got here. Senator Mansfield was still the majority leader, and he tried to offer an amendment—Senator Stevens did—and the Member of the majority who was managing the bill prevented it, in effect. Senator Mansfield came over to Senator Stevens, took his amendment, went back to his desk and sent it to the floor for him. He sent it to the floor for him. That was the Senate not too long ago.

If someone isn't allowed to get a vote on something they believe in, of course they are going to retaliate. Of course they are going to retaliate. But if they get a vote every once in a while, they do not feel the need to. Voting on amendments is good for the Senate and it is good for the country. Our constituents should have a greater voice in the process.

Since July of last year, there have been four Republican rollcall votes. In the whole second half of 2013, Members on this side of the aisle have gotten four rollcall votes—stunning. That is today's Senate.

So let me say this: If Republicans are fortunate enough to be in the majority next year, amendments will be allowed, Senators will be respected, and we will not make an attempt to wring controversy out of an institution which expects, demands, and approves of great debates about the problems confronting the country.

A common refrain from Democrats is that Republicans have been too quick to block bills from ever coming to the floor. What they fail to mention of course is that often we have done this either because we have been shut out of the drafting process—in other words, had nothing to do with writing the bill in the first place—or it had been made pretty clear that there wouldn't be any amendments, which is, in all likelihood, the situation we are in this very day.

In other words, we already knew the legislation was shaping up to be a purely partisan exercise in which people we represent wouldn't have any meaningful input at all. Why would we want to participate in that? Is it good for our constituents? Does it lead to a better product? Of course not. All it leads to is a lot more acrimony.

So look. I get it. If Republicans had just won the White House and the House and had a 60-vote majority in the Senate, we would be tempted to empty our outbox too. But you can't spend 2 years emptying your outbox and then complain about the backlash. If you want fewer fights, give the other side a say.

That brings me to one of the biggest things we have lost around here, as I see it. The big problem, my colleagues, has never been the rules. Senators from both parties have in the past revered and defended the rules during our Nation's darkest hours. The real problem is an attitude that views the Senate as an assembly line for one party's partisan legislative agenda rather than as a place to build consensus to solve national problems. We have become far

too focused on making a point instead of making a difference, making a point instead of making good stable laws. We have gotten too comfortable with viewing everything we do here through the prism of the next election instead of the prism of duty, and everyone suffers as a result.

As I see it, a major turning point came during the final years of the Bush administration, when the Democratic majority held vote after vote on bills they knew wouldn't pass. I am not saying Republicans have never staged a show vote when we were in the majority. I am not saying I don't even enjoy a good messaging vote from time to time. But we have to wonder, if that is all we are doing, why are we here? It has become entirely too routine, and it diminishes the Senate. I don't care which party you are in; you came here to legitimate, to make a difference for your constituents. Yet over the past several years the Senate seems more like a campaign studio than a serious legislative body.

Both sides have said and done things over the past few years we probably wish we hadn't. But we can improve the way we do business. We can be more constructive. We can work through our differences. We can do things that need to be done. But there will have to be major changes if we are going to get there. The committee process must be restored. We need to have an open amendment process.

Finally, let me suggest that we need to learn how to put in a decent week's work around here. Most Americans don't work 3 days a week. They would be astonished to find out that is about it around here.

How about the power of the clock to force consensus? The only way 100 Senators will be truly able to have their say, the only way we will be able to work through our tensions and disputes is if we are here more. A number of you will remember this: Not too long ago, Thursday night was the main event around here. There is a huge incentive to finish on Thursday night if you want to leave on Friday. It is amazing how it worked.

Even the most eager beaver among us with a long list of amendments which were good for the country—maybe 10 or 12—around noon on Thursday, it would be down to two or one by midnight on Thursday. It was amazing how consent would be reached when fatigue set in. All it took was for the majority leader—who is in charge of the agenda—to say: Look, this is important. There is bipartisan support for this. This came out of committee. We want to have an open amendment process, but we want to finish this week, and we can finish on Thursday afternoon or Thursday night or Friday morning. We almost never get worn out around here.

What happened to the fatigue factor to bring things to a close? Amendments voluntarily go away, but important ones still get offered, and everybody feels like they have a chance to be involved in the process no matter which side of the aisle they are on. This is obviously particularly effective on bills which come out of committee, with bipartisan support, so there is an interest in actually passing it. We almost never do that anymore—almost never. On those occasions, we worked late, sometimes well into the morning.

I know that sounds kind of quaint for people who haven't been around here very long, but it actually worked. There is nothing wrong with staying up a little later and getting to a conclusion. I can remember the majority leader himself, when he was whip, walking around late at night on Thursdays with his whip card making sure he had enough votes to do whatever he wanted to do.

When you finished one of those debates, whether you ended up voting for the bill or voting against the bill, you didn't have the feeling that, unless you chose to go away with your amendment, you had been denied the opportunity to participate and to be a part of the process and actually make a difference for your constituents.

That is how you reach consensus: By working and talking and cooperating through give-and-take. That is the way everyone's patience is worn down, not just the majority leader's patience. Everyone can agree on a result even if they don't vote for it in the end. Using the clock to force consensus is the greatest proof of that, and if Republicans are in the majority next year, we will use the clock. Everybody gets an opportunity, but we will use the clock, we will work harder, and get results.

Restoring the committee process, allowing Senators to speak through an open amendment process, and extending the workweek are just a few things the Senate could and should do differently. None of it would guarantee an end to partisan rancor. There is nothing wrong with partisan debate. It is good for the country. None of it would cause us to change our principles or our views about what is right and what is wrong with our country.

Partisanship itself is not the problem. The real problem has been a growing lack of confidence in the Senate's ability to mediate the tensions and disputes we have always had around here. There are many reasons some have lost that confidence, and ultimately both parties have to assume some of the blame.

But we can't be content to leave it at that. For the good of the country, we need to work together to restore this institution. America's strength and resilience has always depended on our ability to adapt to the various challenges of our day. Sometimes that has meant changing the rules when both parties think it is warranted. When the majority leader decided a few weeks back to defy bipartisan opposition—there was bipartisan opposition to what happened in November—by changing the rules that govern this place with a simple majority, he broke something. He broke something.

But our response can't be to just sit back and accept the demise of the Senate. This body has survived mistakes and excesses before. Even after some of its worst periods, it has found a way to spring back and to be the place where even the starkest differences and the fiercest ideological disputes are hashed out by consensus and mutual respect. Indeed, it is during periods of its greatest polarization that the value of the Senate is most clearly seen.

So let me wrap it up this way. We are all familiar with the Lyndon Johnson reign around here. Robert Caro has given us that story in great detail. Some look at LBJ's well-known heavyhandedness as a kind of mastery. Personally, I have always believed the leader who replaced him was a better fit for this place, and evidently so did Johnson's colleagues who elected Mansfield upon Johnson's departure with overwhelming enthusiasm. They had had it up to here with LBJ, and they were excited that he was gone.

In fact, Caro reports that he tried to come to the first lunch after he became Vice President and was going to act as the sort of de facto majority leader even though he was now Vice President. That was, shall I say, unenthusiastically received, and he was almost literally thrown out of the lunch never to return, and Mansfield was, as I said, enthusiastically chosen to replace him.

The chronicles of LBJ's life and legacy usually leave out what I just told you, but by the time he left the Senate, as I indicated, his colleagues had had enough of him, right up to here. They may have bent to his will while he was here, but the moment they had a chance to be delivered from his iron-fisted rule, they took it.

With their support, Mike Mansfield would spend the next 16 years restoring the Senate to a place of greater cooperation and freedom. As we look at what the Senate could be—not what it is now, but what it could be—Mansfield's period gives us a clue.

There are many well-known stories about Mansfield's fairness and equanimity as leader. But they all seem to come down to one thing, and that was his unbending belief that every single Senator was equal. That was Mansfield's operating mode: Every single Senator is equal. He acted that way on a daily basis and conducted himself that way on a daily basis: The unbending belief that every Senator should be treated as equal.

So, look. Both sides will have to work to get us back to where we should be. It is not going to happen overnight. We haven't had much practice lately. In fact, we are completely out of practice at doing what I just suggested as the first steps to get us back to normal. But it is a goal I truly believe we can all agree on and agree to strive toward together, and it takes no rules change. This is a behavioral problem.

It doesn't require a rules change. We just need to act differently with each other, respect the committee process, have an open amendment process, and work a little harder. None of that requires a rules change, because restoring this institution is the only way we will ever solve the challenges we face. That is the lesson of history and the lesson of experience. We would all be wise to heed it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I congratulate the Republican leader for his remarks. Without being presumptuous, I think I could express the hope that all of us feel that he will help us restore the Senate to the role the American people need it to play in this country.

There is a new history of the Senate, ''The American Senate,'' written by Neil MacNeil, the late Neil MacNeil, who wrote the best book about the House of Representatives, and the former Historian of the Senate. I suspect this book is likely to become the best chronicle of this body. It speaks of the Senate as ''the one touch of authentic genius in the American political system.'' It needs to be restored to that position.

The Republican leader is absolutely right. This does not require a change of rules. This requires a change of behavior—some behavior on our part on this side of the aisle, but a great deal of behavior on the part of whomever the majority leader of the Senate is, because that is the person who sets the agenda.

The debate for this year really is: Will this year be the end of the Senate—which is what the distinguished majority leader said it would be if we ever changed the rules in a way that allowed the majority to cut off debate—or will it be the year in which the Senate is restored, restored to that role of authentic genius in the American system? I hope it would be that way. I hope it starts tomorrow because it could be started as quickly as tomorrow because it requires no change of rules, only a change in behavior, and that could happen as soon as tomorrow. But we know it can happen after November if we have six more Republican Senators on this side.

We have heard your commitment on the floor today about how the committees can operate, about how amendments should operate. We have heard that before in our own meetings, in private lunches, and I am glad you took the occasion in this eloquent way to say to the American people and all of us what we expect out of service in the Senate.

I had the privilege, as the Senator from Kentucky did, of seeing Senator Mansfield as the leader of this body. I have not served in the Senate as long as others who were here, but I came here—it seems hard to believe—47 years ago as a young aide to a Senator who eventually became the majority leader of the Senate, Howard Baker. Those were the days of Mansfield and Dirksen. Those were the days when Barry Goldwater and John Tower and Hubert Humphrey would engage in hours of debates here and hug each other at the end of their discussion. Those were the days when the Democratic majority leader would offer an amendment of a Republican Senator whose amendment had been denied unfairly, he thought. Those were the days of committees that did their work and Republicans and Democrats who came to the floor and together offered bills.

I saw the Senate in the 1970s when I came back and Senator Baker was the Republican leader and I saw it in the 1980s and the 1990s. I saw what the Republican leader said—let's take the Panama Canal debate. Senator Baker and Senator Byrd would run the Senate in the way the Republican leader suggested, in the way most majority leaders have suggested. They would come to the floor and they would put a bill on the floor that a Republican and a Democratic Senator agreed on—let's say it is Senator MCCAIN and Senator LEVIN, Senator INHOFE and Senator LEVIN. They would ask for amendments. They might get 300 amendments. They would then ask for unanimous consent to cut off all the amendments and of course they would get it because everyone had a chance to have his or her amendment.

Then within that unanimous consent agreement would be a procedure for how to vote on them, and they would say: We are here on Monday and we are going to finish this week, just as the Republican leader had said.

It does not work perfectly. There was a Senator from Alabama, and then there was a Senator from Ohio, and they did all they could to put glue in the works. But the majority leader had all the tools he needed to run the Senate in that way. Everybody got a say. Senator Byrd, in his last remarks before the Rules Committee, and I was there to hear it, said we should never tear down this necessary fence. He meant the filibuster that protects us from an excess of the executive and runaway popular factions. But he said one other thing. Senator Byrd said in 2010 that any majority leader had the tools he needed already in the rules to operate this Senate in the way it should be run. So we need a change in behavior, not a change of the rules.

One more example that goes to the point the Senator from Kentucky made. How important is it to be able to offer an amendment? Serving in the Senate today is like being invited to join the Grand Ole Opry and not being allowed to sing. The people of Tennessee expect me to have an opinion on their behalf about ObamaCare, about Iran, about all of the issues—how do we help unemployed Americans get a job, about the minimum wage or the lack of it. They expect me to have a say about that, not because they want to hear me but because I am their voice.

Senator Byrd wrote eloquently about that in his book. He talked about the Panama Canal debate. There was a tough debate. They didn't just bring the Panama Canal treaty here and plop it on the floor and say we are going to vote on it next Monday. Do you think it would have gotten 67 votes? No, it would not have gotten 67 votes. How did it get 67 votes? The Democratic leader, Senator Byrd, and the Republican leader, Senator Baker, read David McCullough's book and changed their minds and they both supported the treaty. Then they allowed every single amendment and reservation that anybody wanted to offer.

Senator Byrd wrote that many of those were killer amendments. In other words, they were designed to kill the treaty. But, he said, we allowed every one of them—192 of them. Nothing passed that was not acceptable to the joint leadership. He said we beat everything else. We tabled them or defeated them. But if we had not allowed that to happen and the Senators had not had a chance to have their say, we would have never ratified the treaty.

I know there may be others who want to speak. But we have gone down a trail in the last several years—just a few years—that I never thought imaginable. We have 43 new Members of the Senate, 43 Members of the Senate who are in their first term, plus 1, the Senator from Indiana, who is in his first term but served before so he has a broader view of this. Those Senators have never seen this body operate properly. Most of them are on the other side. So it is not necessarily their fault that this is happening, but this is not the way the Senate earned the reputation as the unique deliberative body in the world. No one would recognize it as that today. No one would recognize it as the authentic touch of creative genius in the American system of government.

My hope would be that the Democratic leader would recognize this and have a change of behavior tomorrow, or maybe later this afternoon. But if he does not, I hope the American people take this seriously and take it into account when they cast their votes in November and put six more Republicans on this side of the aisle so a Republican leader can restore this body to the luster it deserves, and the American people deserve, as the authentic touch of genius in the American political system.

Mr. WICKER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THUNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COONS). Without objection, it is so ordered.

Mr. THUNE. Mr. President, we just heard a very eloquent speech given by

the Republican leader on the Senate floor about the history of the Senate and the role it has played in our democracy, its past, and what could be its future if we can restore it to where it once was.

The leader talked a lot about what used to be taken for granted around here, such as the committee process working and functioning where committees reported legislation out, worked on it, and brought it to the floor.

We had an amendment process. When legislation got to the floor, it could actually be debated. We would have amendments offered and amendments would be voted on. Individual Senators had an opportunity to offer amendments and could thereby be the voice our people who elected us to be here in the Senate.

Unfortunately, in many respects with this current Senate, the wheels have come off. We find ourselves with a process where typically the amendment tree is filled, which blocks amendments from being offered. Perhaps the best factoid with regard to that is that there have only been four Republican amendments voted on since July—half a year. Over the course of half a year, we have had four Republican amendments that were voted on in the Senate. In any institution where there is any form of open debate and open amendment process, there is going to be a lot more votes than that, and I think that is very telling about where we are.

I was here as a young staffer back in 1985 and 1986. At that time Senator Bob Dole was the majority leader in the Senate. It was a very different place. I worked on some issues for my boss, and he had his opportunity, as did other Senators at that time, to come to the Senate floor, offer amendments, and speak out on behalf of his constituents on issues that were important to them and important to him, and that is something that has become a bygone era.

I also had the opportunity—prior to being elected to the Senate—to serve in the other body, the House of Representatives, where things are very structured. There is a rules committee there that basically regulates what legislation comes to the floor, what amendments will be made in order, and how much time is allowed for debate on each amendment. That is how that institution was structured.

The Senate, as Senator MCCONNELL the Republican leader pointed out earlier, is a very different institution by design. Our Founders wanted it to be different. Senator ALEXANDER, in his remarks, talked about an author who described the Senate as a touch of authentic genius. We have gotten very far away from that in terms of its historic role and certainly what should be its role today as we debate major policy and major legislation that impacts over 300 million Americans.

Today I come to the floor to discuss an issue that was debated here a few years ago, which is an example—a by-product, if you will—of one-party rule, where a big piece of legislation is jammed through in a partisan way; that is, ObamaCare.

My colleagues on the Democratic side recently spent a lot of time talking about income inequality. After 5 years of stagnation in the Obama economy and an ever-growing gap between the rich and poor, I say it is high time for us to talk about that. But a critical part of that discussion that Democrats don't want to have has to be the ways in which ObamaCare is contributing to the problem.

As the last few months have made clear, ObamaCare is making it worse for millions of Americans. Huge premium increases and soaring out-of-pocket costs mean that families will have to take money that they would have used to buy their first home or pay for a child's college education and use it instead to pay for health care. Crippling mandates on employers mean that fewer jobs are available for the unemployed and hours are reduced for workers. As if the economic problems caused by the law aren't enough, recent weeks have made clear that the quality of care is likely to diminish thanks to the President's health care law.

Contrary to the President's promise that you could keep the doctor you had and liked, millions of Americans are discovering they will be losing their doctors this year and their choice of replacement is limited. Why? Because ObamaCare provides an incentive for insurers to limit the pool of doctors—and I might add hospitals as well—that you can visit. The President's health care law placed a number of new burdens on insurers, from new taxes to a requirement that everyone with pre-existing conditions be covered at the same rate as healthy individuals.

On top of that, the law gave States the authority to tell insurance companies how much they are allowed to charge for their health plans. As a result, insurance companies are facing huge new cost increases with very few ways to cover those costs. Many companies have chosen the one cost control measure still available to them; that is, limiting their networks of doctors and hospitals.

In California, for example, as a Time magazine article recently reported, Blue Shield offered doctors a choice—be reimbursed up to 30 percent less for medical care or be excluded from the network. The Time article was entitled ''Keeping Your Doctor Under ObamaCare Is No Easy Feat'' and goes on to report that ''among the providers who declined to accept the lower rates were some of the state's most prestigious—and expensive—hospitals, including Cedars-Sinai Medical Center in Los Angeles and hospitals affiliated with the University of California.''

There is a reason these hospitals are prestigious and expensive. They are on the cutting edge of medical research and offer breakthrough treatments that are unavailable at many other hospitals. People come to these hospitals when other treatments have failed, and they often find hope. But these kinds of hospitals—world-class, cutting-edge facilities—are the hospitals most likely to be excluded from exchange plans.

Time reports that ''a December 13 McKinsey study of 20 U.S. Metropolitan areas found that two-thirds of ACA plans analyzed had 'narrow' or 'ultra' narrow networks, with at least 30 percent of top 20 hospitals excluded for coverage.''

The consequences of these narrow or ultranarrow networks are many. First, of course, these networks might not include your doctor. If you have been forced off your health plan into a new private plan or exchange plan, your new plan may not cover the doctor you have been seeing for years—the doctor you like and who knows your medical history. This is detrimental to any patient, but for someone who is being treated for a serious illness, this could be devastating.

Switching doctors midstream while being treated for cancer or another serious illness could have a disastrous impact on the quality of the care the patient receives.

In addition to losing the doctor you have and like, these narrow networks also mean your choice of a replacement will be limited—at times severely limited—and that the same quality of care may simply not be available in the new network.

Still another consequence, as Time points out, is the distance people may have to travel to get to their doctor or hospital. Excluding hospitals from an insurance network may not present a huge travel problem for urban residents—the article notes—but residents in rural areas may be forced to drive a long way to reach a hospital in their network.

Time quotes Kaiser Family Foundation senior fellow Karen Pollitz, who notes that exchange customers in central Maine have to travel as far as Portland to reach a covered hospital. That could be a 2½-hour drive. That is not exactly ideal if someone is, say, having a baby or a serious health crisis.

Let's suppose that you do somehow find an affordable plan on the exchanges that does cover your doctor. You still may not be able to get care. A recent FOX News article focused on expert warnings that the health exchange system may start to look a lot like Medicaid, the Federal health insurance program for the poor. Similar to the exchanges, Medicaid features narrow provider networks, as many doctors either refuse Medicaid patients all together or limit the number they see because of Medicaid's lower reimbursements.

So what is the result? Medicaid patients generally face worse outcomes than patients with private insurance.

They wait longer for doctors if they can get in to see them at all. The survey published in the New England Journal of Medicine found that 66 percent of children on Medicaid were denied appointments with specialists compared to just 11 percent of children covered by private insurance. Patients on Medicaid are more likely to suffer complications and spend longer in the hospital, and they are more likely to die from cancer, surgical complications, and other problems.

Unfortunately, this could soon be the future of those forced into narrow networks on the exchanges. Patients will be denied access to top doctors and hospitals and will be forced to compete with other patients for access to a limited number of health care providers. Even those Americans whose plans cover their preferred doctors will not necessarily be able to get in to see their doctor if he is forced to start limiting the number of exchange patients he takes.

Analysts, Fox News warns, ''emphasize . . . that having health insurance won't necessarily translate into access to health care.''

Let me repeat that: Analysts emphasize that having health insurance won't necessarily translate into access to health care.

This is what the grand promise of ObamaCare has come to: Even those who have managed to make their way through the broken exchange Web sites and find an affordable plan still may not be able to get health care.

Is this the rosy future we were promised? ObamaCare was supposed to fix our health care system. The President promised it would reduce costs and expand access to care. Every American was supposed to benefit. Instead, millions of Americans have lost their plans. Health insurance costs have soared. There are parents who now can't afford to insure their children and cancer patients who are losing their doctors and hospitals. Those few who have gained coverage are facing a system well on its way to becoming a copy of Medicaid.

Surely we can do better. We have to do better. It is time to abandon the failed ObamaCare experiment and move on to real health care reform. We can do that and we should do that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

TRUTH IN SETTLEMENTS ACT

Ms. WARREN. Mr. President, I rise to support the Truth in Settlements Act. This bipartisan legislation, which I introduced earlier today with my colleague from Oklahoma, Dr. COBURN, will help the public hold Federal agencies accountable for the settlements they make with corporate wrongdoers.

I am honored to partner with Dr. COBURN on this bill. In his decade in the Senate, he has been a leader in the fight for greater government transparency. Dr. COBURN and I do not agree on every issue, but we strongly agree that sunlight is a critical component of good government. That is the motivation behind the Truth in Settlements Act, and I am proud to fight alongside Dr. COBURN to advance this legislation.

When companies break the law, Federal enforcement agencies are responsible for holding them accountable. In nearly every instance, agencies choose to resolve cases through settlement rather than going to a public trial. The government agencies defend this practice by arguing that their eagerness to settle is in the best interests of the American people. But their actions paint a very different picture.

If agencies were truly confident that these settlements were good deals for the public, they would be enthusiastic about publicly disclosing all of the key details of those agreements—hang it right out there so everyone can see what a great job they did on behalf of the American people.

So is that what they do? No. Instead, time after time, agencies do the opposite, hiding critical details about their settlements in the fine print or, worse, hiding those details entirely out of public view.

Copies of these agreements—or even the basic facts about the agreement—are not easily accessible online. Many agencies regularly deem agreements confidential without any public explanation. When agencies do make public statements about these agreements, they often trumpet large dollar amounts of money for the taxpayers. What they don't trumpet is that the companies often pay dramatically less than the ''sticker price''—through ''credits''—for engaging in routine activities or through potentially huge tax deductions.

Add up all of these tricks and we end up with a predictable result: Too often the American people only see what the agencies want them to see about these agreements.

These hidden details can make all the difference. When we dig below the surface, settlements that seem tough and fair can end up looking like sweetheart deals.

For example, last year, Federal regulators entered into a settlement with 13 mortgage servicers accused of illegal foreclosure practices. The ''sticker price'' on the settlement was $8.5 billion—that is a really nice headline—but $5.2 billion of the settlement was in the form of credits, not in cash outlays. These credits were described in the government's press release as covering what they called ''loan modifications and forgiveness of deficiency judgments.'' So what does that mean? Well, it turns out the servicers could rack up those credits by forgiving mere fractions of large unpaid loans. So, for example, if a servicer wrote down $15,000 of a $500,000 unpaid loan balance, that servicer doesn't just get a $15,000 credit for the amount they wrote down, they get a credit for the whole $500,000—the full value of the loan. That method of calculating credits—buried in the fine print—could end up cutting by more than half the overall value of the $8.5 billion settlement.

Another way to hide the ball is to omit an upfront determination and disclosure of whether the settlement will be tax deductible. Several years ago, the Justice Department announced a $385 million settlement with Fresenius Medical Care for allegedly defrauding Medicare and other health programs for years. When the agreement was originally announced, the Justice Department touted the sticker price as the agency's largest civil recovery to date in a health care fraud case. But the DOJ didn't say a word about the tax treatment. The agency's failure to even consider that issue was a very costly mistake. By the time the company finished claiming all of its tax deductions from the settlement, it ended up paying $100 million less than originally advertised. In other words, the taxpayers picked up more than a quarter of the tab.

It takes a lot of digging around to uncover these unflattering details, but at least it was possible to do so in these cases because of public information about these two agreements. For settlements that are kept confidential, the public is completely in the dark.

Just last year, Wells Fargo agreed to pay the Federal Housing Finance Agency $335 million for allegedly fraudulent sales of mortgage-backed securities to Fannie Mae and Freddie Mac. That is about 6 percent of what JPMorgan paid in a public settlement with FHFA to address very similar claims. So in what ways did the actions of Wells Fargo differ from those of JPMorgan? We will never know, because the JPMorgan settlement is public, but the much smaller Wells Fargo settlement is confidential.

The American people deserve better. Government enforcement agencies work for us, not for the companies they regulate. Agencies should not be able to cut bad deals and then hide behind their embarrassing details. The public deserves to know what is going on.

The Truth in Settlements Act requires transparency. It requires agencies making public statements about their settlements to include explanations of how companies get credits and whether the wrongdoers will be eligible for tax breaks for their settlement payments. The bill also requires agencies to post text and basic information about their settlements online. And while the legislation permits confidential settlements, it requires agencies to disclose how frequently they are invoking confidentiality and to explain their reasons for doing so.

If we expect government agencies to hold companies accountable for breaking the law, then we, the public, must be able to hold agencies accountable for enforcing the law. We can't do that if we are kept in the dark. The Truth in Settlements Act shines a light on these agency decisions, and it gives the American people a chance to hold

agencies accountable for fairly and effectively enforcing our laws. I urge my colleagues to join us in supporting this bill.

Thank you, Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRATULATING GREG MADDUX

Mr. REID. Mr. President, the Republican leader and I don't agree on everything, but we do agree on some. There is one thing no one can dispute we agree on, and that is our love of baseball. We both love baseball season. It gives us an opportunity, when we go home after working here, to turn on the TV and watch a few innings of a baseball game.

For some people, baseball is a very slow, boring opportunity to watch people moving slowly, but Senator MCCONNELL and I love it. We talk about baseball. We love the Nationals. He and I have great affection for the Nationals because of Bryce Harper, a Las Vegas athlete.

The reason I mention that is because today, Nevada's greatest baseball hero—in fact, one of the greatest baseball heroes not of Nevada but of all time—was inducted into the Baseball Hall of Fame.

Greg Maddux is an extremely nice man—a man of humility. I have gone out to dinner with him and his lovely wife a few times. I know his brother well, who was also a professional baseball player, and he would be the first to say when he was playing baseball and today about how average he was: I am not a great athlete. But he is one of the best of all time.

He started his career with the Chicago Cubs and went on to win 355 professional Major League Baseball games and four consecutive Cy Young awards. Today he received almost 98 percent of all votes cast—the second highest tally in the history of Hall of Fame voting.

So I congratulate this good man on the honor he received so deservedly—I repeat, a man of humility; a man who had probably the greatest control in the history of baseball of being able to throw a ball to the spot he wanted. He is not a big man. That is an understatement. He is not a big man, but he was precise in where he could throw that baseball.

I have such fond memories of Greg Maddux. The last election was kind of a hard election for me. So I called Greg. I called him on his cell phone. I said: Greg, I want you to be a Republican for Reid. Would you do that?

He said: I will do that.

I said: What are you doing?

He said: I am playing golf.

I said: Can you break 80?

And he said: If you leave me alone, I can break 70.

Greg Maddux is a fine man. I have great affection for him and his family. I am sure this is one thing that Senator MCCONNELL and I agree on.

This afternoon, the Republican leader came to the floor to complain about the minority's ability to offer amendments, in particular, to offer amendments on the 3-month extension of the legislation now before this body. It is interesting that during the Republican leader's remarks there wasn't a word uttered about jobs, about unemployment compensation, or the economy—not a word.

So it is very clear what went on here today with my Republican colleagues. Remember, the Republican leader came and Republican Senators came and sat here with him. It is impossible for my Republican colleagues to explain to the American people their callous opposition to the plight of the 1.3 million Americans. About 20,000 of them live in Nevada.

Two very fine Senators on a bipartisan basis have this legislation before this body: JACK REED of Rhode Island—and Rhode Island is tied, as we speak, with Nevada for the highest unemployment rate in the country—and the other Senator is my friend, the Republican Senator from Nevada, the junior Senator from Nevada DEAN HELLER. It is an important move they made on behalf of their States and the American people.

Republicans, though, do not want to talk about the problems facing the middle class, as evidenced by what went on this afternoon. They do not want to talk—these Republicans—about the solutions to falling wages and job shortages.

In America today, the rich are getting richer and the poor are getting poorer and the middle class is being squeezed. During the last 30 years, the top 1 percent's wealth and income has increased by triple numbers—triple. But what has happened to the middle class during that same 30 years? Their wages have gone down 10 percent—tripling to going down 10 percent.

So they do not want to talk about this, and that is why they plan to vote against an extension of these emergency unemployment insurance benefits. The vast majority of them voted to not even let us get on the bill and have a debate, but a few stepped forward and said: No, we should have a debate on this, and a debate we are having.

My Republican colleagues are looking for a distraction, a diversion, a phony process argument to steal attention away from their unconscionable stand on the issues that matter most to the middle class.

This issue of unemployment insurance was not developed by some political science professor from Harvard or Yale or Stanford. It is something to help people who are in desperate shape.

I repeat, they are looking for a distraction, a process argument to steal attention away from their unconscionable stand on the issues that matter most to the middle class. You have to give them credit, they are doing their best to divert attention away from this issue. This is opposition—and it is cold-hearted—to extending unemployment benefits. It is a very tough position to defend, especially when Republicans around America support what HELLER and REED of Rhode Island are trying to do. Democrats support it, Independents, but Republicans in Congress do not and they have said so.

The Republicans' complaint that the majority never allows the minority to offer amendments is false. It is not true. It is another diversion.

During my tenure as majority leader—there has been volumes of stuff written about the obstruction we have had with my Republican colleagues during the last 5 years with the Obama administration. Think of the obstruction that took place when Barack Obama decided to run for reelection.

That was a little interesting because the Republican leader said his No. 1 goal as a Senator and the leader of the Republicans was to make sure he was not reelected. He fell real short on that because he was reelected overwhelmingly. So during that period of time: obstruction, obstruction, obstruction, obstruction, and after he was reelected it continued.

During my tenure as majority leader, the Senate has voted on minority amendments at a higher rate than it did during either of my Republican predecessors—and the largest rate of minority amendments probably in the history of the Senate. But let's just talk about Republican Leader Frist and Republican Leader Trent Lott—both friends of mine. I still am in touch with them all the time. They are people I will always admire and have great respect for.

Since I have been leader, 7 out of 10 amendments on which the Senate has voted have been Republican amendments. Under Senator Frist's leadership, certainly there were not that many, I will tell you that, that were offered by the minority. Under Senator Lott's leadership, only 54 percent of the amendments considered by the Senate were offered by the minority.

During my leadership of the 111th Congress, minority amendments represented a greater share of all amendment votes than during any single Congress during either Leader Frist's or Leader Lott's tenure. Facts.

In fact, often the minority is prevented from offering amendments. Why? Their own Senators will not allow amendments. How many times has the Presiding Officer and others come to this floor and wanted to offer an amendment—objection on the other side because they want to offer an amendment that has nothing to do with anything we are debating on the floor at a given time.

Last year just a handful of Republican Senators held up any legislation. The best example was the legislation

we tried to do dealing with energy efficiency. Energy efficiency. We could not get it done because of Republican obstruction.

Often a particular Republican will prevent any Senator from offering an amendment unless he gets a vote on what he wants voted on first—a little unusual.

So let's not revise history. Let's talk about history as I know it and as the books report how we should know it, what the facts are in the CONGRESSIONAL RECORD.

We know how under my friend the Republican leader's leadership there has been obstruction in the way of the filibusters. Filibuster is not some right that was placed in the Constitution. It is a privilege that was granted under the Senate rules, and that has been abused big time.

Their obstruction has continued to be unprecedented over the last 5 years. Half of all filibusters waged in the history of the country—that is 230-plus years—half of them have been waged against President Obama's nominations—half of them in 5 years compared to 230 years.

Last year Republicans mounted the first ever filibuster of a Secretary of Defense—by the way, a former Republican Senator. They even filibustered him.

I understand Republicans do not want to talk about how we can create jobs, how we can boost the economy or any of the other issues that matter most to the middle class. I understand that Republicans are struggling to explain turning their backs on 1.3 million unemployed Americans. But I do wish they would stop trying to justify their opposition to helping Americans in need with false claims and distortions of the truth.

Finally, as I leave the floor, I prefer not to pay for this emergency situation where we have long-term unemployed. This is an emergency, and it should be considered accordingly and should not be paid for in the normal course around here.

We believe in reducing the debt. In the Senate Chamber with me now is someone whom I had the pleasure of appointing to the Bowles-Simpson Commission, the senior Senator from the State of Illinois, the assistant majority leader. He worked hard. We have not followed Bowles-Simpson as a bible, but it certainly has been a guide we have followed. While we could have done better, we have done pretty good. We are approaching having reduced the debt by some $3 trillion right now as we speak. We could reduce it another $1 trillion if we could get comprehensive immigration reform done.

The goal of Bowles-Simpson was $4 trillion. So when I say this is something that has not been paid for ordinarily in the past, that is true, but that does not take away from the fact that we all are going to continue to work on this side of the aisle to reduce the debt.

But I do hear that some of my Republican colleagues want to pay for this. I disagree with them, but that is what they want to do. So far all we have heard from Republicans' pay-fors is this: take a big whack out of ObamaCare. There are 9 million people—approaching 10 million now—who benefit from ObamaCare. So they want to damage every one of those 9-plus million people. Or they have another one: go after children—children—with the child tax credit. Those are their two pay-fors at this point—a little scary, I would think.

So I am waiting, we are waiting for Republican suggestions on how to pay for a full-year extension of unemployment insurance. Let's hear from them how they want to pay for it. They say they want to pay for it. Let's hear what they want to do.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I wish to thank the majority leader for his comments, and I will be very brief because I know the Senator from Iowa has a statement he wants to make.

Let me just say that the statement made on the floor earlier this afternoon by the Republican leader never once addressed the issue pending before the Senate. Pending before the Senate is an emergency unemployment insurance bill that will provide benefits to 1.3 million Americans who are out of work and for 8 days now have been receiving no assistance whatsoever. Imagine the struggles they are facing.

That is why we called this bill first when we returned from our holiday recess. We consider it a priority. We were heartened yesterday when six Republicans joined us to move this bill forward. It gave us hope that we were going to do something to get this done in a timely way to help a lot of deserving people all across the United States.

We hoped today, when the Republican leader from Kentucky came to the floor, that he would address the urgency and necessity of this bill. He did not. As Senator REID has said, he wanted to talk about the Senate rules.

The Senate rules are important, make no mistake. But they are certainly not as important as providing essential benefits, essential relief and help to 1.3 million unemployed Americans—people who are trying to pay their utility bills, avoid eviction, put gas in the car, and go out and find a job. That is a higher priority, and I had hoped the Republican leader would address it. Instead, he wants to talk about the rules.

What the Senator from Nevada, our majority leader, has said is a matter of record. It is still amazing to consider this: Nearly half of all the filibusters waged on nominations in the history of the United States of America have been waged under the leadership of Republican Senator MCCONNELL during the Obama Presidency—nearly half. In the history of the United States, 168 nominees have been filibustered; 82 occurred under the leadership of the Republican Senator from Kentucky during the Obama administration.

In the history of the United States, 23 district court nominees have been filibustered—in our entire history. Twenty have been filibustered under the leadership of the Republican Senator from Kentucky during the Obama administration—20 out of 23. Nearly half of all the nominations that have been filibustered: under this Senate Republican leadership. Is there any wonder why the rules needed to be changed?

We look at the wait time of those who finally get out of committee and sit on the calendar waiting indefinitely. It breaks my heart to think of the fine women and men who are willing to offer their lives in public service, go through extensive background checks, make the necessary personal sacrifices, and languish on our calendar for no earthly reason.

In the end many of them have been approved with overwhelming votes, and yet they have been subjected to these incessant Republican filibusters. The case involving our colleague, Congressman Mel Watt of North Carolina, is one of the most egregious. It is the first time, I believe, since 1843 that a sitting Member of Congress has faced a filibuster in the Senate when appointed to a Presidential nomination. Finally, we broke that after the rules change. I was heartened to see that Congressman Watt was sworn in yesterday to this position dealing with America's housing challenges.

But that was an example of an outrageous filibuster against a colleague, a fellow Member of Congress, a Member of the House of Representatives. The coup de grace, of course, was the DC Circuit Court of Appeals, where we offered three well-qualified nominees to fill obvious vacancies on that Court, and they were stopped by the Republican filibusters, one after the other without any complaint about their qualifications, well qualified for this position to serve on the DC Circuit Court.

It was not until Senator REID lead us in changing the Senate rules that we finally found this necessary relief. It is time for us to return to the issue at hand. Pending before the Senate is emergency unemployment benefits for 1.3 million Americans. As important as a rules debate may be to some in this Chamber, there is nothing more important than to deal with this in a timely way. I hope the Republicans will take the advice of the leader that he gave at the end of his remarks, produce for us their pay-for, if that is the course that they want to follow, for us to pay for those unemployment benefits for the coming year. We are waiting for their response. In the meantime, I hope that some will come forward and join us in what has traditionally been a bipartisan effort to help those in America seeking work.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, first I want to thank our leader and our assistant leader for their great leadership and for their eloquence here on the floor today and for correctly stating what the issue is. It is not rules; it is justice. I am going to speak about that myself.

Mr. President, 50 years ago today, President Lyndon Johnson came before Congress and spoke these bold words: ''This administration today, here and now, declares unconditional war on poverty in America.''

Lyndon Johnson, as we all know, was born and raised in stark poverty in the Texas hill country, coming of age during the Great Depression. From hard personal experience, he understood how poor schools, empty stomachs, and bad health make a mockery of America's promise of equal opportunity for all.

When President Johnson delivered that historic State of the Union address, our Nation was enjoying unprecedented post-war prosperity. We had become, in John Kenneth Galbraith's famous words, the ''affluent society.'' However, in the midst of this Nation of prosperity and plenty, there was also ''the other America'' as author Michael Harrington told us.

Fully one-fifth of our population was trapped in poverty. Across Appalachia, in urban ghettos, in large swaths of rural America, millions of American children were being raised in shacks and slums, going to bed hungry, attending grossly substandard schools. Worse, experts described this poverty as ''intractable.'' Experts warned that despite the Nation's overall prosperity, poverty was growing more widespread, because as one study put it, the poor were ''not part of the economic structure.''

A report then by the President's Council of Economic Advisors asserted that, ''future economic growth alone will provide relatively few escapes from poverty.'' Economic growth alone, they said, will not solve the issue of poverty. Of course, I must add, it is very much the same today. Economic growth alone will provide few escapes from poverty for people today if 95 percent of income gains are going to the top 1 percent, and if the rewards of productivity gains go to shareholders and not to the workers.

So it was in this context that President Johnson—keep if mind, less than 2 months after he assumed the office after the terrible assassination of President Kennedy. It was in this context that he summoned the Nation so that the unconditional war on poverty could be waged.

For LBJ, this was both an economic challenge and a profound moral challenge. It was about doing justice. In his speech to Congress he said:

> Very often a lack of jobs and money is not the cause of poverty but the symptom. The cause may lie deeper, in our failure to give our fellow citizens a fair chance to develop their own capacities and a lack of education and training and a lack of medical care and housing, and a lack of decent communities in which to live and bring up their children.

President Johnson continued:

> Our chief weapons will be better schools and better health and better homes and better training and better job opportunities to help more Americans, especially young Americans, to escape from squalor and misery and unemployment rolls, where other citizens help to carry them.

In the months that followed this State of the Union address, President Johnson proposed specific programs to attack poverty and inequality. He articulated his broader vision for what he called a Great Society. There is no better place to appreciate the boldness and accomplishment of this era than at the Lyndon Baines Johnson Library and Museum in Austin, TX.

My favorite part is a room—I have been there several times—commemorating the Great Society with plaques and signing pens all along the wall, listing the incredible array of legislation that President Johnson had passed into law. Listen to these: The great Civil Rights Act, the Voting Rights Act, Job Corps, VISTA, Upward Bound, the Food Stamp Program, legal services for the poor, the Community Action Program, community health centers, Head Start, the Elementary and Secondary Education Act, the Higher Education Act, Medicare, Medicaid, the National Endowment for the Arts and Humanities, Public Broadcasting, the National Mass Transportation Act, the Cigarette Labeling Act, the Clean Air Act, and the Wilderness Act.

It takes your breath away, to think about all that was done. These Great Society programs have defined the modern United States of America as a compassionate, inclusive society, a genuine opportunity society where everyone can contribute their talents and abilities.

Last month, on December 4, in his landmark speech on inequality, President Obama noted that these and other initiatives have helped to reduce the poverty rate by 40 percent since the 1960s—have helped reduce the poverty rate by 40 percent since the 1960s. President Obama said: ''These endeavors didn't just make us a better country, they reaffirmed that we are a great country.''

However, on this 50th anniversary of President Johnson's great address to Congress, I must acknowledge that there are some who profoundly disagree with this assessment on the war on poverty and the Great Society. They insist it was a great failure. Indeed, I have heard this claim from many of my colleagues on the other side of the aisle since I first came to Congress in 1975. This supposed ''failure'' of the war on poverty, this failure of the Great Society, has indeed become almost an article of faith and dogma among conservatives. It is truly the triumph of belief over reality.

As President Reagan said on May 9, 1983, ''The great expansion of government programs that took place under the aegis of the Great Society coincided with an end to economic progress for America's poor people.''

Wow. That is quite an assertion by President Reagan. So allow me, on this 50th anniversary, to take a few minutes to point out many of the ''failures'' of the war on poverty and the Great Society. Perhaps a good place to start is by pointing out the ''failure'' of Medicare. At the bill signing ceremony for the Social Security Amendments Act on July 30 of 1965, President Johnson enrolled former President Harry Truman as the first Medicare beneficiary and presented him with the first Medicare card.

These days we talk about life after 65 as the golden years. I tell you, life after 65 used to be the nightmare years, with tens of millions of Americans unable to afford even basic medical care, condemned to live out their senior years in the misery of untreated or poorly treated illnesses.

In 1959 the poverty rate among older Americans was 35 percent. Since the Great Society programs started, the poverty rate among seniors has fallen by nearly two-thirds. What a failure. What a failure. Medicare is especially personal to me. I remember my father, who was then in his late 70s, and never had access to any regular health care in his life. My father only had a sixth-grade education, worked in coal mines most of his life, and suffered from what they then called ''coal-miners lung.'' They always called it ''coal-miners lung.''

He would get sick all the time. If it were not for the compassion and the generosity of the Sisters of Mercy who would take care of him when he got sick and nurse him back to health, I do not know what would have happened to him. But I can remember, coming home from the military on military leave in late 1965, and my father had his Medicare card.

For the first time in his life, for the first time in his life—and now he was approaching almost 80 years of age—he could go see a doctor without paying. Without taking charity. It gave him the dignity and the security of knowing that he could see a doctor if he needed to.

The Great Society also gave birth to community health centers, as long as I am talking about health care. Community health centers provided essential medical care to the poor. The first two community health centers were opened in 1964, one in Boston, MA, and one in rural Mississippi.

This model of providing basic health services to the uninsured and underserved was an enormous success. Listen to this. From that modest beginning of two in 1964, community health centers have expanded to include more than 1,200 community health centers in more than 9,000 locations serving more than 22 million patients annually. What a failure. What a failure.

I guess another failure of the Great Society was the Elementary and Secondary Education Act. We call it ESEA. Since Brown versus Board of Education, the decision of the Supreme Court in the mid 1950s, Americans acknowledged that we had two school systems, one for the middle class and the well off and a grossly inferior one for the poor.

ESEA said that all children, regardless of their background and their circumstances at birth, can learn, and the Federal Government will provide resources to help create equity—equity among our schools.

Educating children of poverty will always be challenging. We still have large achievement gaps that still persist. But Title I assistance to America's neediest schools has made a dramatic difference for the good of millions of low-income children.

If it has been such a great failure, I would ask any Senator who wants to repeal Title I and defund it, please step forward. Speak up here on the Senate floor.

Will any Senator who wants to do away with title I and defund it please step forward and speak up? I doubt there will be any takers.

What about the failure of the Higher Education Act? In 1965, it was rare for young people from disadvantaged and low-income backgrounds to go to college. So President Johnson and Congress passed the Higher Education Act, creating need-based grants and loans with reduced interest rates.

Today, Pell grants, created in the later version of the Higher Education Act, help more than 9 million low-income students gain access to higher education. The Higher Education Act has swung open the doors to college for countless Americans, creating new opportunities and access to the American dream.

Again, I suppose some see this as another failure, another government handout that prevents people from standing on their own two feet. Decide for yourself if vastly expanding access to higher education constitutes a failure.

But before we do, talk to a lower income student, striving to become a doctor, the first in her family to go to college, thanks to the TRIO Programs, Upward Bound, thanks to Pell grants, thanks to low-interest college loans. Ask her if she feels as though she is an undeserving taker, unwilling to stand on her own two feet.

In August of 1964, again only a few months after declaring the war on poverty, Lyndon Johnson signed into law the Food Stamp Act. Prior to that act, hunger and malnutrition were shockingly widespread in America, particularly in our rural areas and urban ghettos. Today we still have millions of food-insecure people in America, but thanks to the Supplemental Nutrition Assistance Program, the new name for the food stamp program, abject hunger in America is rare. Tens of millions of Americans, more than half of them children, are ensured a basic nutritional minimum.

Is this another failure, food stamps? Apparently many Members of this body think so. In June of 2012, 33 Republican Senators voted to block grant the food stamp program and slash the funding by over $300 billion over 10 years.

I ask Senators who voted for those cuts, have you ever talked to a first grader who is finally able to concentrate in class because she had a breakfast paid for by food stamps? Has anyone asked her whether she would prefer to tough it out without a meal to start the day?

In 1965, Lyndon Johnson's Office of Economic Opportunity created 269 local Legal Services offices across the country, providing legal assistance to low-income Americans. This later evolved into the Legal Services Corporation.

As a proud former Legal Aid lawyer myself, I know firsthand what a difference this can make in so many circumstances for a struggling family facing foreclosure, a battered woman trying to leave an abusive marriage, a senior citizen victimized by a financial scam. I know that without access to an attorney the poor are often powerless against the injustices they suffer.

Is the dedicated work of Legal Aid attorneys a failure? I vigorously disagree. The American Bar Association vigorously disagrees. It strongly supports Legal Services.

Every Federal judge and Supreme Court Justice, in their oath of office, swears to ''administer justice without respect to persons, and do equal right to the poor and to the rich''—to do equal right to the poor and to the rich. It is Legal Services, and Legal Services lawyers, who helped to translate that ideal into a reality for poor people in courtrooms all over America.

Our frontline soldiers in the war on poverty are the dedicated professionals and volunteers in Community Action Agencies, another Great Society program. These are funded by the Federal Community Services Block Grant. In 2012, these locally driven agencies served nearly 19 million low-income Americans, including more than 5 million children, more than 2 million people with disabilities, and 2.5 million seniors served by community action agencies.

These agencies equip people with skills to return to work. They provide food, clothing, other emergency assistance. They administer Head Start Programs, other preschool programs, and do a lot more.

People can decide if the Community Action Program, Community Action Agency, and Community Services Block Grant have been a failure. But before they do, drop in on a Community Action Agency in your State. See for yourself the amazing work they do in relieving poverty and helping people to escape.

Speak to members of a local Community Action Agency board and people will find that they are local business people, bankers, lawyers, as well as people who receive the services. They will tell you how these agencies do so much with so little, performing indispensable services in their communities. Talk to them.

I can spend hours citing some other Great Society initiatives, but let me mention just one more: the Civil Rights Act of 1964.

Prior to that act, African Americans faced open, legalized discrimination and segregation. We had our own American version of apartheid. In many parts of our country, including in Washington, DC, African Americans could not eat at the same lunch counter with Whites. They could not use the same bathrooms, the same swimming pools, the same water fountains. They literally were consigned to the back of the bus.

Because of the Civil Rights Acts of 1964, those Jim Crow laws and practices were ended in the United States of America. It became illegal to discriminate based on race, color, religion, gender, or national origin. Some apparently call that a failure—one of the Great Society's many ''failures.''

You may decide for yourself whether America is better off today, whether we are better as a society, stronger as a nation, because we did away with segregation. You decide.

President Reagan, in his State of the Union Address in 1988, said that the Great Society ''declared war on poverty, and poverty won.'' It was one of President Reagan's catchy one-liners. But with all due respect to President Reagan, it simply is not historically accurate, not even close. From the time President Johnson took office in 1963, until 1970, as the full impact of the Great Society programs began to be felt, the number of Americans living below the poverty line dropped from 22.2 percent to 12.6 percent—almost cut it in half. The poverty rate for African Americans fell from 55 percent in 1960 to 27 percent in 1968. The poverty rate among the elderly, as I said earlier, fell by over two-thirds.

The great shame is that this progress, this war on poverty of the Great Society, was cut short. The war on poverty gave way to the war in Vietnam. Then it gave way in retrenchment later on in later administrations, which cared less about giving a hand up to the poor than about giving handouts to the rich in the form of giant tax breaks and other advantages. What was started as a percolate-up economy under the Great Society became a trickle-down economic society under later administrations.

On this 50th anniversary of President Johnson's great address to Congress, let me state unequivocally and factually—historically factually—the Great Society has been a historic success.

However, I must note that 50 years later our Nation confronts a new set of economic challenges, societal challenges, challenges that are every bit as

dangerous to our democracy, every bit as daunting and intractable as those confronted by President Johnson and the Congresses of his time.

Our economy is still struggling to recover from the great recession. The sluggish recovery has left us with chronic unemployment and a middle class in crisis. Social mobility, the ability to work your way up the economic ladder, is now lower in the United States than in Europe. For the vast majority of American workers, incomes have been stagnant for decades, but the rich have grown fabulously richer. Think about this: Since the official end of the great recession in 2009, 95 percent of income gains in the United States have gone to the wealthiest 1 percent in the last 5 years—95 percent of income gains have gone to the wealthiest 1 percent.

Unlike President Johnson's day, today it is not only the poor who are at risk, our great middle class is endangered. Millions of formerly middle-class Americans have lost their jobs, their homes, their savings, their hopes for a decent retirement. For too many of our citizens, the American dream has become hopelessly out of reach. This is the crisis. This is the challenge of our day.

Are we rising to meet this challenge as previous generations of Americans have done? No, I am afraid we are not. Inside the Washington bubble, too many of our political leaders have persuaded themselves that the biggest issue of the day is the budget deficit. Ignoring chronic unemployment and a struggling economy, this 113th Congress and the previous Congress pursued policies of relentless austerity, slashing budgets, defunding research and investment, destroying jobs, and even refusing to extend Federal unemployment benefits for long-term jobless, 1.3 million of whom lost their last lifeline of support only 3 days after Christmas.

I am disturbed by the apparent shift of attitude by many elected leaders toward the ordinary people who do the hard day-in and day-out work that makes our country strong. I said it before, and I say it again. We are seeing an attitude of harshness. We used to agree that if someone worked hard and played by the rules, they should be able to earn enough to support their families, keep a roof over their heads, put some money away for a rainy day, and have a secure environment. We used to agree that if someone loses their job through no fault of their own—especially at a time of chronic unemployment—they should have some support when they are looking for new work. We used to agree on both sides of the aisle that no child in this country should go to bed hungry at night. But in recent years these fundamental principles, values, and agreements have come under attack in our public discourse. For instance, recently on a Sunday talk show, the junior Senator from Kentucky said it would be a ''disservice''—a ''disservice''—to the long-term jobless to extend Federal unemployment insurance. I have his exact words right here. Senator PAUL said:

> When you allow people to be on unemployment insurance for 99 weeks, you're causing them to become part of this perpetual unemployed group in our economy. And while it seems good, it actually does a disservice to the people you're trying to help.

When there are three people looking for every job; when in some areas, some States, unemployment is even worse than that, you would cut off their long-term unemployment insurance? Where are they going to get a job? Maybe what the Senator doesn't understand is that before you can even get unemployment benefits, you have to be actively looking for work. A disservice?

I guess our new attitude is, tough luck. You are on your own. If you struggle, even if you face insurmountable challenges, well, it is your own fault. Tough luck. You are on your own. If you are a kid born into poverty or a single parent working for minimum wage, struggling to pay the bills and put food on the table, tough luck. You are on your own. If you are a 55-year-old worker who lost her job due to outsourcing or technological change, tough luck. You are on your own. If you are a person with a significant disability struggling to find work and independence and dignity, tough luck. You are on your own.

Mr. President, there is a harshness among too many in powerful positions toward those Americans who have tough lives, who are ill-educated or marginally employed or who have lost their jobs through no fault of their own—a harshness among too many people in powerful positions toward these Americans. President Johnson would rebuke this harshness and this callousness, as he said in remarks 3 months after his war-on-poverty speech. Listen to what President Johnson said:

> God will judge his children not by their prayers and their pretensions, but by their mercy to the poor and their understanding of the weak. I tremble for our people if at the time of our greatest prosperity we turn our back on the moral obligations of our deepest faith.

That was President Johnson.

So today, 50 years later, I remind my colleagues that we are still a nation of great prosperity. We are the wealthiest Nation in the world. We are the wealthiest Nation ever in the history of the world. Our problem is this prosperity and wealth is concentrated at the very top. The workers who have created it are not getting their fair share. So on this 50th anniversary of President Johnson's war-on-poverty address, I cannot agree with those who say the budget deficit is our No. 1 priority. I am concerned about far more urgent and compelling deficits: the deficit of jobs and opportunity, the deficit of research and investment, the deficit of early education for all our children, the deficit of basic human understanding and empathy for those in the shadows of life.

I am also concerned about the deficit of imagination today in Washington. I am concerned by our failure to confront today's economic challenges with the boldness and the vision that earlier generations of Americans summoned in times of national challenge. Indeed, our Republican friends reject the very possibility that the Federal Government can act to spur economic growth and create good middle-class jobs. This is their ideological position, and they are sticking to it. But this flies in the face of overwhelming evidence to the contrary across our Nation's history.

One can go back to President Lincoln, who insisted that every American has a ''right to rise.'' To that end, he created the land-grant college system, provided for the transcontinental railroad, and established the Department of Agriculture with the mission of helping farmers boost their production and income and raise their standard of living.

President Teddy Roosevelt fought for safe workplaces, the 8-hour workday, and busting up the trusts that were strangling opportunity for ordinary Americans.

Think of Franklin Delano Roosevelt who put to work millions of unemployed Americans, including my father, in the Works Project Administration, building roads and dams and bridges and schools, many of which still exist today. Franklin Roosevelt created Social Security to end the scourge of poverty in old age.

Think of President Eisenhower, who championed investment in our infrastructure, beginning with the Interstate Highway System, which has expanded commerce and opportunity for nearly six decades now.

As we are doing today, let's pay tribute to one of our greatest Presidents, Lyndon Baines Johnson, and the enormous achievements of his war on poverty and the Great Society.

Mr. President, I have not come to the floor today just to look back fondly and nostalgically or to try to correct the record about the achievements of the Great Society. I am here at the beginning of this legislative year to urge my colleagues to look with fresh eyes at the urgent economic and societal challenges confronting the American people today. We need to think more broadly and with more ambitious vision about how we in Congress can come together to create a greater society, an America of greater opportunity, greater economic mobility, greater fairness. We need to create what I call a new America.

Let's dare to imagine a new America where every child has access to quality early learning.

Let's dare to imagine public investments to create a truly 21st-century infrastructure, modernizing our roads, our bridges, ports, and canals, building high-speed rail systems from Maine to Miami and Seattle to San Diego—a new infrastructure for a new America.

Let's dare to imagine retrofitting all of our buildings to make them energy

efficient, making wind, solar, geothermal, and other renewables the main sources of our energy—yes, a renewable energy basis for a new America.

Let's dare to imagine doubling our investment in the National Institutes of Health, making possible a real war on cancer and Alzheimer's and other devastating diseases. Think of that—a cancer-free, Alzheimer's-free new America.

Let's dare to imagine a true health care system where wellness and prevention and public health are the first priority, keeping people healthy in the first place in this new America.

Let's dare to imagine a new retirement system where every worker builds a private pension that can't be touched until they retire and a stronger Social Security System—solvent, secure—with increased benefits for the next 50 years. Think of it—a secure retirement for every citizen in this new America.

These are the big challenges we in Congress should be addressing.

I know that by all means there are issues demanding our immediate attention—again, beginning with the need to extend Federal unemployment insurance for the long-term jobless. We will be voting on that motion to proceed within the hour. As I said earlier, some 1.3 million Americans were cut off just a couple of weeks ago. Another 3.6 million Americans will be cut off over the course of 2014. These benefits are not much, but they make a critical difference for those with no other lifeline. So this is an immediate concern and must be our immediate priority in these initial days of this session.

In addition, the Senate will soon take up my bill to raise the minimum wage to $10.10 an hour and to link it to future cost-of-living increases. Get this: Since the minimum wage peaked in 1968 as part of the Great Society, it has lost one-third of its buying power. So if you were making the minimum wage in 1968 compared to what you are making today, you could have bought one-third more than you can buy today.

Over the decades, the minimum wage has become a poverty wage. Think about that. People go to work every day. They work hard, sometimes at two jobs, and they are still below the poverty line. No person in America who puts in a full day's work ought to have an income below the poverty line.

These two are the immediate moral and economic issues we need to address. Yes, I say moral and economic issues. Today we do confront huge economic challenges. As Americans, we pride ourselves on our robust free-market system. Some say the unfettered free marketplace will solve all our problems. Just let it go. They glorify the ideas of Ayn Rand and academic theorists who say that greed is good, extremes of inequality are necessary, and poverty is deserved, which reminds me of the words of the philosopher Bertrand Russell nearly a century ago. He said:

> The modern conservative is engaged in one of man's oldest exercises in moral philosophy—that is, the search for a superior moral justification for selfishness.

I remind my colleagues that it is precisely the unrestrained, often run-amok free marketplace that has created so many of the problems we face today. Financial and real estate bubbles. Who suffered because of that? Ordinary Americans. Chronic unemployment. Who is suffering? Ordinary Americans. Stagnant wages. Who is suffering? Ordinary Americans. Gaping income inequality. Who is suffering? Not the few at the top. Disappearing pensions. Who is suffering? Ordinary working Americans. On and on.

Like a busy highway system, our free marketplace only really works for all when all the players obey essential rules of the road—rules put in place by government to avoid crashes and bubbles, to rein in wasteful and dishonest money manipulators, and, yes, to provide for social and economic justice. And there are some things—big national undertakings—that the private sector simply is not capable of doing.

At critical junctures going back to the beginning of our Republic, Congresses and Presidents have acted decisively to spur economic growth, foster innovation, and help create jobs. No question, that is where we are falling short today.

Members of Congress and elected officials across America can learn from the successes of the war on poverty and the Great Society. We need a new generation of leaders with Lyndon Johnson's passionate commitment to improving education, expanding opportunity, and fighting inequality and discrimination. As I said, we need to come together to create a greater society, a new America. We need to act with boldness and vision.

The war on poverty and the Great Society initiatives have defined the modern United States of America as a compassionate, inclusive society, a genuine opportunity society where everyone can contribute their talents and abilities. We see the Great Society all around us today—in cleaner air and cleaner water, young people from poor backgrounds attending college, seniors and poor people who have access to decent medical care, and people of color exercising their right to vote and to live in the neighborhoods of their choice.

We see the great society in Head Start Programs, quality public schools, vocational education programs, college grants and loans, all those rungs on the ladder of opportunity which put the American dream in reach of every citizen, even those from humble, hard-scrabble backgrounds like Lyndon Johnson himself.

We might notice I said a ladder of opportunity. I didn't say an escalator. I think a lot of times my conservative friends say we just want to give everything to everybody, give everybody a free ride. I always talk about the ladder of opportunity. I don't talk about an escalator. An escalator is a free ride. With a ladder you still have to assert energy and initiative to get up. But there is one thing necessary: The rungs have to be there on that ladder, many of them put there by government and society acting together, things like affordable child care programs, early learning, quality of public schools, Pell grants, job training, and on and on. They provide those rungs on that ladder, and sometimes people fall off the ladder through no fault of their own. They lose their job, they become disabled or they contract a terrible illness. In those cases, it is the moral duty of government and society working collectively to provide a hand back up. Things like, yes, unemployment insurance, disability insurance, job training, and many others.

Up until 1990, we looked around America and we saw that no matter how hard they tried, they could never climb that ladder of opportunity. These were Americans with disabilities. So in 1990 we passed the Americans with Disabilities Act. Again, we built a ramp of opportunity. We didn't build a moving walkway; that is a free ride. I have often pointed out, not one dime in the Americans with Disabilities Act goes to a person with disabilities. What we did is we broke down the barriers. We built the ramps to accessible buses and trains, provided accessible workplaces, widened doors in accessible bathrooms. We broke down the barriers so people with disabilities could exert their own energy and initiative to get up that ramp.

Like every great leader in our Nation's history, Lyndon Baines Johnson brought us a giant step closer to achieving our highest ideals as a people. He fought passionately for social and economic justice for all Americans. He fought to put the American dream within reach of every citizen, and he saw this as a moral imperative. That is why I consider him one of our greatest Presidents. This is the legacy we salute today. This is the lesson we should learn as we move forward in this country. As we move from this 50th anniversary of President Johnson's great address to Congress, it is this spirit of ambitious public purpose that we should strive to emulate in the legislative year ahead and the legislative years to come.

Fifty years ago today, Lyndon Johnson spoke to our deepest moral underpinnings. He didn't just couch it in terms of an economic solution. It was justice. It was making sure the American dream really was alive for all. We can't in our time become small-minded, looking upon just what is good for today or what are the economics of things. We have to think about it in terms of what our commitment is for moral, economic, and social justice for all Americans. That was the lesson of President Lyndon Johnson. That is

what we should take from this 50th anniversary.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Connecticut.

Mr. MURPHY. Mr. President, when the history books are written about those who fought hardest against poverty, who stood up for those with no voice, with very little power and an increasingly unfair economy, LBJ and his war on poverty will be a few chapters in that book. Senator TOM HARKIN will occupy a pretty big place in that story as well. I salute him for spending the time to talk about this long fight on poverty this country has waged, and still needs to wage, and salute the role he has played. It is an inspiration to many of us who have sought to try to stand in his shoes and in his place.

I wish to talk about the same subject, because over the holidays I had the chance to spend a day in New Haven, CT, with a 40-year-old homeless man who up until last spring had been employed for the better part of the last 20 years. But as has happened to millions of Americans over the last several years, this man—who I will call for today's purposes Nick—lost his job.

Nick has had it tough his whole life. His father was a drug addict who got Nick addicted to crack when he was 13 years old. He was born into a cycle of drug use and violence and poverty that is far too prevalent in places like New Haven and Bridgeport and cities across this country. But despite the odds stacked against him, Nick graduated from high school, he built a career for himself around sales. Now, after 20 years of working and 40 years of fighting the odds, Nick for the first time in his life is homeless.

So I spent the day with Nick, seeking shelter from the cold, using the public library to apply for jobs, attending meetings that have helped keep him clean and sober. Aside from receiving the support he needs for his health issues, Nick spent most of that day just looking for work. He wants to work. He desperately wants to get back on the job, and he is hopeful that one day he will find work soon. But he is caught right now in this vicious downward spiral of homelessness. He can't find a job without a home. He fills out dozens of job applications, but with his address being a homeless shelter, he doesn't compete very well with other applicants. But of course, as Nick tells it, how can he get a home without a job? He is caught, he is stuck, like millions of other Americans.

One of the things that keeps Nick from starving, other than the food and the shelter he gets from Columbus House and the local soup kitchen, is the $100 he used to get—until last week—in unemployment insurance. Without that measly $100 a week, things get pretty dire, right now as we speak, for Nick.

The fact is while unemployment benefits make homelessness a little more manageable for a guy like Nick, these emergency funds are often the only thing standing between a family where their primary breadwinner is out of work and a life on the streets. It is during a long stretch of unemployment where these meager benefits become the only way a family can continue to pay the mortgage or the only way a young guy can continue to keep up with the rent.

If we don't restore unemployment benefits now, tens of thousands more people will be living on the street. That is not hyperbole. That is reality. Then they will be captured in that same catch-22 of homelessness: No job without a home. No home without a job.

Like Nick, there are 28 million Americans who have needed emergency unemployment compensation since 2008. These Americans aren't some distant, unfamiliar group of people. They are our friends. They are our neighbors. They are people who have worked their entire lives and want to get back to work again.

I recently sat down with about a half dozen long-term unemployed individuals in Bridgeport, CT, and we see the pain and agony on their faces as they recount their daily hours-long quest to find work, applying to hundreds of jobs, making dozens of phone calls, and coming up empty. There is something almost dehumanizing about that effort to seek work, to prove your worth, and to come up empty time after time again.

One guy I met, Ronny, sat behind a desk his entire career. He worked his entire life in a white-collar job, and he said he would take any job. He would sweep floors. He would do anything just to get back to work. He is not lazy. He is not gaming the system. He is just one of millions who would rather do any job at all than be unemployed.

Our colleagues on the other side of the aisle say they are opposed to extending unemployment benefits because they want to get back to normal with regard to unemployment insurance. But that reasoning totally ignores the reality of this recession. Unlike the recessions in 1982 and 1991 and 2001, the unemployment rate has not fallen after the end of the recession with respect to people who are long-term unemployed. The rate of those unemployed for more than 26 weeks is at the highest today than it has been in 60 years. There are now three unemployed workers for every one job opening, compared to two or fewer workers per job opening in the wake of previous recessions. This just isn't a normal recession. There are more people out of work for longer periods of time than at any time in most of our lives.

If you were in the top 10 percent of earners prior to this recession, things are pretty much back to normal. In 2012, the top 10 percent of earners took home about half of all income in the United States. Those people have recovered. During that time corporate profits were also at an all-time high. For those people and for those entities, things are back to normal. Maybe that is why some Republicans think it is right to bring unemployment insurance back to prerecession norms. But it is not.

One of the hallmarks of this abnormal recession is the number of people who become unemployed and stay unemployed. Forty-three percent of the unemployed people in Connecticut are long-term unemployed, don't have a job, and have been out of a job for months and years.

Rebecca, who lives in Connecticut, emailed my office and she said:

> I am 34 years old. For the first time since I was 16, I am unemployed. I am an attorney, and I apply to 20–40 jobs per week.

Another woman wrote to my office:

> My husband has been out of work for 52 weeks. He spent 30+ years in the banking industry. His last position was as a regional director of retirement services.

Frank from Meriden, CT, writes:

> I have worked all my life—43 years. I was laid off in 2009 and again in 2013. In both instances, I dedicated my unemployed time searching to secure a job. I'd prefer to work as long as I am capable and with your assistance in extending the EUC program, I may at least have a fighting chance of securing employment. Please afford me the opportunity to continue the employment search without the added burden of discontinued benefits.

But we shouldn't only extend benefits because it is the right thing to do. It is also the economically smart thing to do. The Congressional Budget Office tells us that 200,000 jobs are going to be lost this year if we don't restore emergency unemployment benefits. In the week since unemployment benefits lapsed, $400 million has been drained from States' economies.

You see, when we give people support during their time of need when they are out of work, they spend that money—and they spend it quickly. Extending unemployment benefits offers the best bang for the buck we can offer our economy. Every dollar we put into UI returns as much as $1.90 to the economy. CBO says that extending unemployment benefits through 2014 will boost the GDP of this Nation by 0.2 percent. One action of this Congress can boost GDP by 0.2 percent.

No matter what we do, it is still going to be a long road back for those who have been unemployed for 1 year or more, who are going to face discrimination based on their age or based simply on the fact that they have been unemployed for a long period of time.

Just giving them benefits does not magically put them back to work. But the most remarkable thing that you find when you talk to these individuals is that while they are frustrated, their spirit is not broken. Every time somebody sheds a tear to me, recounting their ordeal of unemployment, their story always ends with a hopefulness that employment is just around the corner.

Nick is that kind of guy too. He knows that things are going to get better for him. But as we walked around New Haven in the cold for 10 hours last week, and we talked virtually the entire time, he wondered whether anybody down here truly cared about the dehumanizing existence of being without a job and being without a home. He wondered why Congress would turn its back on him and the millions of others who have been clobbered by the worst recession in our lifetime.

I have kept in touch with Nick in the days since I spent the day with him. Just yesterday he sent me an email. He said:

I am sitting right now in the Department of Labor office, updating my resume. Chris, I have not had any luck yet with employment but I will keep trudging, just as I am doing in pretty much every aspect of my life. I know it will get better as I continue to strengthen my faith and stay on a straight and narrow path. As long as I continue to do those two things the sky is the limit for me, Chris.

Nick believes that things are going to get better for him. Millions of other Americans who have been out of work for 50, 100 weeks, still believe that salvation is around the corner. All they ask is that we extend some modicum of support to them so they can make that winnowing dream a reality.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. SANDERS. Mr. President, hopefully later this evening or tomorrow there will be a very important vote regarding the extension of long-term unemployment benefits. What that vote is about is to make it very clear which side we are on. Are we prepared to stand with over 1 million workers and their children and say, no, we are not going to turn our back on you, we are not going to leave you literally out in the cold, worrying how you are going to heat your home or pay your rent or put gas in your car or, as fellow Americans, we are going to stand with you and make sure you at least have some income through extended unemployment benefits coming in to your family.

I think, as we all know, the good news is that unemployment has gone down in recent years. When President Bush left office we were hemorrhaging over 700,000 jobs a month—clearly unsustainable, clearly a tragedy for our Nation. Today, while the economy is nowhere near where it needs to be, where we want it to be, the fact is we are growing several hundred thousand jobs a month. That is the good news. The bad news is that real unemployment is close to 13 percent, if we count those people who have given up looking for work and those people who are working part time when they want to work full time.

The even worse news is that long-term unemployment today is almost the highest it has ever been on record. Today it takes about 37 weeks for the average unemployed American to find a job. Today, 37 percent of unemployed Americans have been out of work for more than 6 months. Today, there are three job applicants for every one job opening. The reality is there are simply not enough jobs for the 11 million Americans who actively seek work.

If we do not extend unemployment benefits now for these 1.3 million Americans, the situation will only become worse. By the end of the year, we will be looking at close to 5 million Americans whose benefits will have been exhausted.

I understand some of my Republican friends are saying, yes, we are prepared to extend these unemployment benefits, but we need an offset. Let me suggest to some of my Republican friends that if that is their position—and I should point out that under President Bush, when long-term unemployment was not as serious a problem as it is today, under President Bush, time and time again, extended unemployment benefits were seen as an emergency and were passed without offsets. But if my Republican friends believe they desperately need an offset now that Barack Obama is President, let me suggest a few of the areas they may want to explore.

We are losing about $100 billion every single year because corporate America is putting its money into tax havens in the Cayman islands, Bermuda, and elsewhere. If we need an offset, what about telling the one out of four corporations in this country that today pays nothing in Federal taxes that we are going to end their loopholes. Are we prepared to demand that corporate America start paying its fair share of taxes so long-term unemployed Americans can afford to have food on their table or heat in their homes?

Many of my Republican colleagues believe we should repeal completely the estate tax, a tax which only applies to the top 3 percent of the wealthiest people in America. We are talking about families such as the Walton family who are worth $100 billion. If some of my Republican friends think the Walton family, the wealthiest family in America, needs another tax break while working Americans who are desperately searching for work should not get any help at all, I suggest to my Republican colleagues they are way out of touch with the values of America and the values that make this a great country.

I think there are some people who believe the folks who are long-term unemployed right now just do not want to work. That is grossly unfair and grossly untrue. Let me give a few examples. In Hagerstown, MD, 3,600 of our fellow citizens recently applied to work at a dairy farm to process milk and ice cream. This dairy farm will be hiring 36 people. Yet 3,600 people applied for those 36 jobs. Do those people want to work? They sure do.

Last October, Walmart received over 11,000 job applications for stores they are opening in Washington DC. As we all know, Walmart is not the highest paying employer in America. Yet they received 11,000 applications in the DC area at a time when they will be only hiring 1,800 workers.

That type of scenario is true in many parts of this country. An employer puts an ad in the paper, makes it known the company needs workers, and they are seeing 10 times as many workers applying for limited jobs.

The last point I wish to make is not only is this a moral issue, the issue of not turning our backs on people, some of whom who have worked for their entire lives, at this moment when they and their families have so much need—that is the moral issue—but there is an economic component as well. If a long-term unemployed worker does not get the average $300 check he or she would otherwise get, what kind of money does that person have to spend locally? What the economists tell us is that when we dry up that source of spending in communities all over this country, when people do not have the money to buy the goods and services they desperately need, that in itself, that lack of spending, will result in several hundred thousand jobs being lost in the overall economy. So not extending unemployment not only hurts the individual, it hurts our overall economy, and the economists also tell us that not extending long-term unemployment benefits will reduce our GDP by about .2 percent.

We have a moral issue. We have an economic issue. If my Republican colleagues want offsets, there are more than enough offsets available if they are prepared to ask some of the wealthiest people in this country and some of the largest corporations in America to start paying their fair share of taxes. But the bottom line is that in an economy which today is still hurting very deeply, we cannot punish people who are severely in need.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANDERS). Without objection, it is so ordered.

Mr. BROWN. Mr. President, President Johnson 50 years ago, as Senator HARKIN was talking about, declared a war on poverty down the hall in the House of Representatives in his State of the Union Message. A little later he visited Athens, OH, in the heart of Appalachia, and he said:

I came out here today to see you because we can't always see poverty from the Capital in Washington. But you can see it when you get out and ride the rivers and the range, the mountains and the hills.

When President Lincoln was in office, even though his staff said stay in the office, win the war, free the slaves, preserve the Union, President Lincoln

would say, no, I need to get out and take my ''public opinion baths''—I need to see the people and talk to them and understand their problems.

Pope Francis recently exhorted his parish priests to go smell like the flock, obviously using the allegory of the sheep in the Old Testament and New Testament, but also saying to his parish priests: Understand how people live, talk to them about their issues and their problems and their lives and live among them as much as you can, something perhaps none of us in this body—I know the Presiding Officer from Vermont possibly does more townhalls and meetings with people than anybody in the Senate. All of us need to do that more to understand better.

But as we debate the extension of unemployment benefits, $500 a week is the average benefit; 52,00 people in my State were cut off from benefits at the end of the year, tens of thousands more will lose their benefits if we don't act. It is not just what this means to parents so they can feed their families and continue to look for work. But as the Presiding Officer knows, they need to continue to look for work in order to get this $300 a week on average. We also know it helps the economy.

One hundred years ago this week, Henry Ford made an announcement that stunned the country. He said: Everybody in my auto plant is going to receive $5 a day. Whether it was the young man sweeping the floor or the autoworker, they were all going to receive $5 a day.

Whether it was done out of generosity or not, what Henry Ford knew was putting money in workers' pockets—just the same as when you put money in people's pockets for unemployment benefits, which is the insurance they paid into—the money that they get will help grow the economy. It will help people be able to do things they would not otherwise be able to do. That is the importance of the extension of unemployment benefits, and that is the importance of passing minimum wage legislation, which Senator HARKIN also spoke about.

The fair minimum wage would raise the minimum wage 90 cents upon the signature of the President, 90 cents a year later, and 90 cents a year after that. At the same time it would raise the subminimum wage for those people who work in diners, push wheelchairs in airports, and for valets in restaurants. Those workers often make less than the minimum wage. The subminimum wage—the tipped wage—is only $2.13 an hour. It hasn't been raised since 1991.

The Harkin, Sanders, Brown—and others who are part of this legislation on the minimum wage bill—legislation will increase the tipped minimum wage over time up to 70 percent of the real minimum wage.

I will close with a letter from Karen in Columbus. She said:

I had to come out of medical retirement because I couldn't make ends meet.

I have now worked at a department store for four years and still don't make $9.00 an hour. My salary goes entirely towards rent and utilities.

My water bill just went up $8.00—

For those of us in this Chamber, if the water bill goes up $8, you deal with it. It is not that big of a deal. She is not even making $9 an hour. The increase in her water bill is 1 hour of pay at this department store.

My water bill just went up $8.00—as it goes up every year—just like the electric, food, and gas.

Heaven forbid my car would break down or I would fall victim to a serious illness.

I hope that our colleagues are getting their public opinion baths. I hope our colleagues are out among people listening to these stories.

I close, again with a quote from President Johnson's speech in Athens, OH, which was 50 years ago this year.

Poverty hides its face behind a mask of affluence. But I call upon you to help me get out there and unmask it, take that mask off of that face of affluence and let the world see what we have, and let the world do something about it.

We have an opportunity today to do something about unemployment insurance and help people get back on their feet. We have an opportunity in the months ahead to raise the minimum wage. To restore it to something close to what it was back in 1968 in real buying power, that should be our obligation, our duty, and our mission in the months ahead.

MORNING BUSINESS

Mr. President, I ask unanimous consent the Senate proceed to a period of morning business until 6:30 p.m. with Senators permitted to speak up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INHOFE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BLUMENTHAL). Without objection, it is so ordered.

Mr. INHOFE. Mr. President, I ask unanimous consent to be recognized for such time as I may consume in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

GLOBAL WARMING

Mr. INHOFE. Mr. President, it is a little bit humorous to me that we are talking about extending unemployment benefits in the midst of one of the most intense cold fronts in American history. I saw one newscaster yesterday who said: If you are under 40, you have not seen this stuff before. It has to make everyone question—and I am going to tie this together—whether global warming was ever real.

While I know the leftwing media is giving me a hard time for talking about my opposition to the administration's global warming policies when it gets cold outside, I think it is important to point out two things. No. 1, the administration is intentionally ignoring the most recent science around global warming, and No. 2, global warming policies costing between $300 billion and $400 billion a year, along with the rest of the EPA's environmental regulations, are resulting in millions of job losses.

We are talking about extending unemployment benefits, yet it is really jobs we need, and the jobs are being robbed from us by the overregulation that is taking place in the Environmental Protection Agency, and of course, the crown jewel of all of those is cap and trade. When I say $300 billion to $400 billion a year, that would constitute the largest tax increase in American history.

I find that sometimes when we are talking about these large numbers—and I am sure the Presiding Officer agrees with this—it is hard to relate that to everyday people, to our own States, and to how it affects our families. So at the end of each year I get the total number of families in my State of Oklahoma who filed a Federal tax return and I do the math. In this case, it would cost about $3,000 for each family in my State of Oklahoma to pay this tax, this cap-and-trade tax that supposedly will stop us from having global warming.

It is interesting that people now realize this would not stop it. Even if we did something in the United States, it wouldn't affect overall emissions of CO_2, and that is what we are talking about. That is what makes global warming so important to mention as we debate the extension of unemployment benefits.

If we want to improve our employment figures, what we need to do is stop the onslaught of environmental regulations that have come out during this Obama Presidency.

First, let's talk about the global warming issue. It is interesting that we have often seen global warming related to events affected by unseasonable or unusually cold weather. Often, this has occurred whenever Al Gore has been involved in an event. Let me give a couple of examples. In January of 2004, Al Gore held a global warming rally in New York City. It turned out to be what would go down as one of the coldest days in the history of New York City. Three years later, in October of 2007, Al Gore gave a big global warming speech at Harvard University, and it coincided with temperatures that nearly broke Boston's 125-year-old temperature record.

In March of 2009, Speaker of the House NANCY PELOSI was snowed out of a global warming rally in Washington,

DC. Because of all the snow, her plane wasn't able to land and they had to cancel her appearance at the event.

A year later, in March of 2010, the Senate Environment and Public Works Committee had to cancel a hearing entitled ''Global Warming Impacts in the United States'' due to a major snowstorm. At that time, I was the ranking member of that committee, and they were all geared up, ready to have this big hearing, and they couldn't do it because of a major snowstorm. That was in 2010. So this has been going on now every year going back to 2010.

Just last year, in July of 2013, a cruise liner that was chartered to discuss the impact of global warming planned to sail through the Northwest Passage of the Arctic but got stuck because the passage was full of ice. Now, more on that in a minute. In that same month, Al Gore had an event in Chicago training people about global warming but was greeted with the coldest temperatures in 30 years.

A lot of folks, even in the last day, have said that just because there are cold temperatures does not mean global warming has stopped. Most alarmists will, however, correct you that it's no longer global warming, but instead, climate change. Increases in temperature still matter. In a November 2013 Executive order, the President implemented new climate change policies—very expensive ones; large tax increases—stating that ''excessively high temperatures'' are ''already'' harming natural resources, economies, and public health nationwide. In other words, he's implementing his climate change policies because of rising temperatures, otherwise known as global warming.

So temperatures falling and really cold days do matter. It does matter when the ice caps are growing and temperature increases pause for 15 years. And that is what has happened for the last 15 years. If global warming is not happening, then there is no need for the ensuing policies—whether you call it global warming or anything else.

Monday was a cold day. At one point, the temperature average in the country was 12.8 degrees. In Chicago, it was 16 degrees below zero. That broke the record that was set way back in 1884, when it was 14 degrees below zero. This made Chicago colder than even the South Pole at the same moment, where it was only 11 degrees below zero.

Just this week, down at the South Pole, a number of ships were stuck in the ice, even though it is in the middle of the summer down there. This was all over the news, and for good reason.

On November 27, a research expedition to gauge the effect of global warming on Antarctica began.

On December 24, a Russian ship carrying climate scientists, journalists, tourists, and crew members for the expedition became trapped in deep ice up to 10 feet thick.

An Australian icebreaker was sent to rescue the ship, but on December 30 efforts were suspended due to bad weather.

On January 2, a Chinese icebreaker, the Xue Long, sent out a helicopter that airlifted 52 passengers from the Russian ship to safety on the Australian icebreaker.

The Chinese vessel is now also stuck in the ice along with the Russian vessel. Twenty-two Russian crew members are still on board the Russian ship, and an unreported number of crew members remain on the Chinese ship.

On January 5, the Coast Guard—that is us; we came to the rescue—called to assist the ships that are stuck in the Antarctic. Our icebreaker ship is called the *Polar Star*.

Just a few months ago the journal Nature—that is a well-respected publication on environmental science—they published an article that said over the last 15 years ''the observed [temperature] trend is . . . not significantly different from zero [and] suggests a temporary 'hiatus' in global warming.'' This is not something that is appreciated by the Obama administration. What they are saying is—and this was the Journal—that it had stopped. In fact, I along with some of my colleagues, have asked the President for the data backing up his claims that warming is actually happening faster now than previously expected. Considering the most recent data, those statements have not been true. No models predicted there would be a fifteen year pause in global warming, but the President hasn't yet fully responded to our inquiry. Let's go back. When you look back in history, and you look at these cycles, you have to come to the conclusion that God is still up there.

I have this from memory, and I think I will get this right. From 1895—they had a cold spell that came in, and that is when they said another ice age is coming. That lasted until 1918. In 1918, that all changed, and all of a sudden it started getting warmer, and that is when the term ''global warming'' first came out. So from 1918 to 1945 it was a warming period that we went through. Then, in 1945, it changed and another ice age was coming that everyone was concerned about. That lasted from 1945 to 1975.

Then, in 1975—and this is interesting because in 1975 we got into this time period we are talking about now; and that is, they were saying that global warming is coming upon us.

Well, what is happening now—and these people have an awful lot of their time and resources and reputation at stake here—it is now to the point where that has reversed and we are going into another one of these cycles.

The interesting thing about 1945 is that 1945 was the year where the greatest surge in CO_2 emissions happened. It was during that year. That was right after World War II. That precipitated not a warming period but a cooling period.

In December of 2008, Al Gore said:

> The entire North Polarized cap will disappear in five years.

The North Polar cap is the Arctic ice cap.

Well, we are now 5 years later when, as Al Gore said, it should all be melted by now. The deadline was December of 2013, Arctic ice is actually doing pretty well. Just last month, the BBC reported that the Arctic Ice Cap coverage is ''close to 50% more than in the corresponding period in 2012.'' In other words, in 1 year it increased by 50 percent. This is the very ice cap that Al Gore said would be gone by now. So contrary to what Al Gore predicted, the ice cap did not disappear last year; it grew.

In May of 2006, Al Gore said in his movie ''An Inconvenient Truth'' that the Antarctic Ice Cap melt could result in a 20-foot increase in sea levels.

You contrast that with the frozen global warming expedition down there this week and a September 2013 report in the Washington Post that Antarctic Sea Ice has hit a 35-year high this past year.

Now, these things—people do not seem to stop and think. These were predictions that were made. This is the same Al Gore where there was an article in the New York Times saying that arguably he is the world's first environmental billionaire, and all these things people were saying were gospel truth. Now we know they are not, but nobody talks about it. The media does not talk about it. When you put it all together, it is impossible not to sit back and wonder: If there is this evidence that the temperatures are actually getting colder, should we really pursue cap and trade and other similar regulations and policies that will cost the economy $300 billion to $400 billion a year to implement? In light of our high unemployment levels—and that is what we are talking about today; we are talking about extending unemployment insurance—I do not think so. That is what we are here talking about anyway: unemployment numbers.

To help remedy the problem, I am submitting two amendments. The first one I want to talk about is amendment No. 2615.

The EPA has systematically distorted the true impact of its regulations on job creation by using incomplete analyses to assess the effects of its rules on employment. They have even published that many of their regulations will result in net job creation.

EPA's costly regulations, as any reasonable person knows, actually reduce business profitability and cause actual job losses. New mandates and requirements do not help the economy add jobs.

For example, the EPA estimated that its 2011 Utility MACT—that was passed. MACT means ''maximum achievable control technology.'' In other words, we come along in all of our great wisdom up here and we pass a law saying how much emissions can take place, and yet there is no technology that will accommodate that.

So the EPA estimated that its 2011 Utility MACT—that is the one that

passed; it was passed into law—rule would create 46,000 temporary construction jobs and 8,000 net new permanent jobs. By contrast, a private study conducted by NERA Economic Consulting that examined the ''whole-economy'' impact of the rule—and we are talking about the Utility MACT; that is what put coal out of business in a lot of the United States—the study estimated that the rule would have a negative impact on worker incomes equivalent to 180,000 to 215,000 lost jobs in 2015, and the negative worker impact would persist at the level of 50,000 to 85,000 such ''job-equivalents'' annually.

The EPA estimated its Cross State Air Pollution rule would create 700 jobs a year. By contrast, the same NERA study estimated the rule would eliminate 34,000 jobs from 2013 through 2037.

It lets you know that the EPA is controlled by the President, and they are there to fortify anything he says, even though we have studies to show just the opposite is true.

The EPA also estimated its Industrial Boiler MACT rule—every manufacturer has a boiler, so this affects all manufacturers—would create 2,200 jobs a year. By contrast, NERA, in their study, estimated the rule would eliminate 28,000 jobs each year from 2013 to 2037.

In addition to those examples, the National Association of Manufacturers did a study that determined the cumulative impact of EPA's regulations is $630 billion annually and totals about 9 million jobs lost. That did not even include the cap-and-trade regulations, which would cost another $300 billion to $400 billion per year.

The EPA has not yet fully studied or disclosed the impact of these rules, but we know it is going to be very expensive.

If we really want to do something about unemployment numbers in this Nation, we need to hit the brakes on EPA's regulations. Let's do not worry about extending the time of unemployment compensation, unemployment insurance; let's do something about the costly regulations.

I think everybody knows some of the disasters that are taking place in the country. They are aware of ObamaCare. They are aware of what he is doing to the military. They are aware of the excessive spending that has come from his budgets. But nobody talks about the regulations, which really exceed the cost of supporting greater national debt.

So my amendment does this by prohibiting the EPA from making any of its new regulations final until it complies with requirements under the Clean Air Act's section 321.

Section 321 was put into the Clean Air Act back in 1977, and it was supposed to require the Federal Government to state what the job impact would be as a result of the various regulations it pursued. How many times has the EPA conducted this study? Not once. So that amendment would help reduce the impact of EPA's rules on job loss.

My second amendment would actually help create jobs. It is really kind of unrelated, but since I am talking about two amendments that are very significant now and would help resolve our jobs problem to a great extent, I will talk about amendment No. 2605. It would help us take advantage of our vast domestic oil and gas resources.

We have seen huge increases in oil and gas development in recent years due to the advancements in precision drilling, hydraulic fracturing, and other technologies. These technologies have unlocked the shale revolution and, because of this, official government estimates now predict that we will become completely energy sufficient by 2035.

What they will not tell you is that this could happen a lot faster. Right now, 83 percent of Federal lands are currently off limits to oil and gas developers. There is not a good reason for this. It is just the administration preventing us from having more jobs and energy independence.

You have to keep in mind, we now and then hear people from the Obama administration saying: Well, wait a minute, during the last 4 years or 5 years, the production has increased by some 40 percent. But that is all on State property and on private land. On Federal land, it has actually decreased by about 15 percent because of the war against fossil fuels that has taken place out of the White House.

So the amendment I am offering would give these resources to the States to unlock and develop on their own. The assumption here is the States should be in a better position to know what they want to do with these regulations in their own State and any damage that might come to the environment—let them make that decision instead of the Federal Government doing it.

A recent report by the Institute for Energy Research estimated that if we completely developed these off-limits Federal resources, it would create 2½ million jobs and generate $14.4 trillion in economic activity. But it would also help us achieve energy independence by 2024, 11 years sooner than it would otherwise.

So if we want to create jobs, this is how we can do it. We should embrace our energy future and aggressively expand production. If we want fewer people to lose their jobs in the future, we should prevent the EPA's regulations from moving forward, at least until they fully study the impact the rules will have on job losses.

We have been trying to do this now for a long period of time, to determine what these costs are. When the American people find out, in terms of the dollars of cost and the jobs that are lost with excessive regulation, they will come and let their feeling be known, certainly at election time.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

UNEMPLOYMENT INSURANCE EXTENSION

Mrs. SHAHEEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. SHAHEEN. Mr. President, I have come to the floor today, like so many of our colleagues, to talk about the urgent need to pass legislation to extend unemployment insurance. I was encouraged, as I know many of us were, that the Senate voted on Monday to move to this legislation. I really hope that we are able to build on that progress and to pass this critical assistance this week.

Emergency unemployment insurance has always had bipartisan support. Congress has acted eight times since 1958, under congressional leadership and Presidents from both parties, to establish extended benefit programs when the unemployment rate is too high. In fact, as I think a number of my colleagues have said, the program we are currently looking to extend was actually passed when George W. Bush was President, with strong bipartisan support.

It is important that we do not turn our backs on Americans who are struggling to find work right now. We cannot afford the economic consequences of inaction. Failing to renew unemployment benefits will cost us jobs, it will hurt economic growth, it will eliminate a critical lifeline for families who are struggling to make ends meet.

While New Hampshire's unemployment rate is below the national average, if you are out of work, your household is 100 percent unemployed. There are too many families in New Hampshire who have already been hurt by the expiration of these benefits. According to New Hampshire's Governor Maggie Hassan and our State's Employment Security Commissioner George Copadis, the lapse in this critical program has abruptly cut off vital support for about 1,350 individuals in New Hampshire. For each week that extended benefits are not available, an additional 500 to 600 New Hampshire citizens will exhaust regular unemployment insurance coverage.

In total, more than 8,500 citizens of New Hampshire could be hurt over the course of the next year. That would result in a potential loss to our economy of as much as $14 million, according to the State of New Hampshire, and it is a particular issue in certain pockets in the State. There are counties where the unemployment rate is higher, where we have more long-term unemployed who are going to find particular concern about trying to find a job if they do not have any help while they are looking.

I would ask unanimous consent that the letters from New Hampshire's Governor Hassan and from our Commissioner of Employment Security be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JANUARY 3, 2014.

Hon. HARRY REID,
Majority Leader,
U.S. Senate, Washington, DC.
Hon. MITCH MCCONNELL,
Republican Leader,
U.S. Senate, Washington, DC.
Hon. JOHN BOEHNER,
Speaker of the House,
U.S. House of Representatives,
Washington, DC.
Hon. NANCY PELOSI,
Democratic Leader, U.S. House of Representatives, Washington, DC.

DEAR MAJORITY LEADER REID, REPUBLICAN LEADER MCCONNELL, SPEAKER BOEHNER AND DEMOCRATIC LEADER PELOSI: I am writing to strongly urge your support for the reinstatement of the Emergency Unemployment Compensation Program, a program that provides a critical lifeline to thousands of New Hampshire residents, and also stimulates the economy and creates jobs as unemployed workers purchase essential goods and services. It is imperative that Congress takes up this important issue as soon as it reconvenes.

The expiration of the EUC program has abruptly cut off vital support for 1.3 million of our fellow Americans, including approximately 1,350 individuals in New Hampshire. For each week that the EUC program is not available, an additional 500 to 600 New Hampshire citizens per month exhaust regular unemployment insurance coverage. More than 8,500 citizens of our state could be hurt over the course of the next year, resulting in a potential loss to our economy of as much as $14 million.

As we continue to recover from the Great Recession, we must support measures that will encourage economic growth. Although New Hampshire continues to experience lower unemployment rates than most states, there remains a critical need for the EUC program as our unemployed workers continue their efforts to secure employment throughout 2014. Failure to reinstate the EUC program will undermine our fragile economic recovery.

Again, I urge you to act quickly and reinstate the Emergency Unemployment Compensation Program. We all need to work together to ensure that the economy continues to grow and that we continue to lend a helping hand to unemployed workers in New Hampshire and across the country.

With every good wish,

MARGARET WOOD HASSAN,
Governor.

NEW HAMPSHIRE EMPLOYMENT SECURITY,
Concord, NH, January 2, 2014.

Hon. JEANNE SHAHEEN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR JEANNE SHAHEEN: Our understanding is the Senate intends to deliberate on extending Emergency Unemployment Benefits (EUC) when they return from their break. I wanted to take this opportunity to provide you with information on the number of citizens here in New Hampshire who will be affected by the loss of the EUC Program which expired on December 28, 2013.

The expiration of the EUC Program is projected to immediately effect 1,350 individuals who will lose their benefits at the close of 2013. For each week that EUC is not available, an additional 500 to 600 NH citizens per month exhaust regular UI benefits. The highest impact over the course of one year would be 8,500 citizens of our state. The collective loss of these monies in local communities could be as high as $14 million in 2014. Although New Hampshire is doing much better than most states, there is still a critical need for the EUC Program for new exhaustees throughout 2014.

The Department of Employment Security fully supports the extension of the EUC Program beyond the expiration of December 28, 2013. As you know the EUC Program provides a lifeline for those individuals along with a little more time and a little more hope as they continue to seek employment opportunities in our communities.

Please do not hesitate to contact me with any issues or concerns you might have regarding the extension of the Emergency Unemployment Benefits.

I thank you for your time and consideration of my request.

Sincerely yours,

GEORGE N. COPADIS,
Commissioner, New Hampshire Employment Security.
RICHARD J. LAVERS,
Deputy Commissioner, New Hampshire Employment Security.

Mrs. SHAHEEN. As these letters show, the impact of a failure to extend unemployment benefits is very real for thousands of working families in New Hampshire. Of course, that is true, we know, across the country. Failing to pass this legislation will hurt our economic recovery in New Hampshire. It will hurt the Nation's economic recovery.

The Economic Policy Institute estimates that the expiration of unemployment insurance will cost the economy 310,000 jobs, which is roughly the equivalent of a single month of job growth. We know from economists from the Congressional Budget Office that each dollar we spend on extending unemployment insurance generates about $1.50 in economic growth. It is one of the best places we can spend public dollars to try to stimulate this economy, to create jobs that can ultimately put people who are unemployed back to work.

Although the unemployment rate has gone down and our economy has shown signs of recovery, we still have a lot more to do. We have to get more people back to work. There is so much on the line, for jobs, for hard-working Americans, and for our economy as a whole. We should pass this legislation on behalf of workers and families in New Hampshire and across this country.

I also want to point out that I have filed an amendment to this unemployment insurance bill. I hope we will have a chance to vote on this amendment. It is identical to a bill I have authored that has 19 cosponsors, including the Presiding Officer, the Military Retirement Restoration Act. This legislation would replace the military retiree and benefit cuts that have been included in the recent budget agreement. It would do that by closing a tax loophole that some corporations use to avoid paying their share of taxes. This provision is designed to address corporations that set up shell entities in tax havens to avoid being considered an American company and paying at the tax rate in the United States. They do that even though these companies are controlled and operated on American soil. It would ensure that those companies pay American tax rates. I think most people would agree that this kind of tax avoidance is unfair, that we should close this tax loophole, and we should do that rather than reducing military retiree benefits.

In addition to the 20 cosponsors of the legislation in the Senate, there is a similar bill in the House that has 46 cosponsors. My idea of how to pay for the military retirement benefit is just one idea. I know there are other bills that have been introduced. I am open to those other solutions. But I hope we can work in a bipartisanship way to replace these cuts before they go into effect in 2 years. It is important that we address this issue for the men and women who have served this country so well, who have put their lives on the line for us. I hope we can do that as part of this legislation when we vote on it. If we are not able to do that, I certainly hope we are going to be able to address this in the near future.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

HONORING OUR ARMED FORCES

PENNSYLVANIA CASUALTIES

Mr. CASEY. Mr. President, I rise tonight to offer a few brief remarks. I am joined on the floor by my colleague Senator TOOMEY. We are both here tonight to read a list of names of those who gave, as President Lincoln said a long time ago, the last full measure of devotion to their country, Pennsylvanians who lost their lives in Operation Enduring Freedom.

We know that since the beginning of the conflict, Pennsylvania now has lost to date—the latest number I have seen is 92 killed in action. Tonight we will read the names of five who gave that last full measure of devotion.

Before I turn to my colleague, it is very hard for me to fully understand or appreciate what the loss of a loved one means when they lose their life in war. We often turn to quote Lincoln or the Scriptures. They are both appropriate. One of the best descriptions I heard was by the songwriter Bruce Springsteen. He was writing songs in the aftermath of 9/11. He had one song where the refrain was ''you're missing.'' Of course, it could apply to a family who lost someone in war.

One of the lines in that song goes something like this: You are missing. When I turn out the light you're missing. When I close my eyes you're missing. And when I see the sunrise, you're missing.

I can only turn to words such as that because I have never walked in those shoes, of being part of a family who lost someone in Iraq or Afghanistan or in any conflict. So tonight we pay tribute to those Pennsylvanians who gave so much to their country, and their families as well have given so much to their country.

I am honored to be joined by my colleague Senator TOOMEY, who will begin to read the names.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. TOOMEY. Mr. President, I thank my colleague Senator CASEY for organizing this brief tribute that is so much deserved by the servicemembers we are going to be acknowledging in a few minutes.

I would like to begin by extending my deepest condolences to the families, friends, loved ones of these true Pennsylvania heroes and the lives that they led and the cause for which they died. Those men represent all that is great about this great country.

Some enlisted right after graduating from high school. During those very tough and grueling days and weeks in basic training, I suspect they never heard of the places in Afghanistan where they would make this sacrifice.

These Pennsylvanians, of course, join a long list of soldiers, sailors, airmen, and Coast Guard members who have given their lives for this country, to include those who gave their lives in World War II, the Korean war, the Vietnam war, of course the ongoing war against violent radical Islamists all around the world.

It is no accident that Pennsylvania has suffered so heavily in this conflict, as it has in every other conflict in our Nation's history. I think it is because in the towns across Pennsylvania, towns and cities such as Tafford and Mohnton, there are certain values that are deeply rooted in those communities: importance of family, importance of faith, the importance of serving this Nation. There is a deep conviction that freedom is worth defending, and a belief that a cause worth fighting for is not just someone else's responsibility. These are the values that have helped shape these service members, their families, their churches, their houses of worship, and their communities. These values are exemplified in the lives of our fallen who will forever be honored by our great Commonwealth for their service to this country.

I will begin reading the names of the men who made the supreme sacrifice for freedom last year in this conflict, and Senator CASEY will complete the list:

CWO Matthew Paul Ruffner, U.S. Army, Tafford; CWO Jarett Michael Yoder, U.S. Army, Mohnton; SSG Marek Soja, U.S. Army, Philadelphia.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CASEY. Mr. President, I thank my colleague for starting the list. I will read the remaining names. I should correct myself. I said five at the beginning. I had the count wrong. It is actually six individuals:

SSG Thomas Baysore, Jr., United States Army, Milton, PA; SGT Patrick Hawkins, U.S. Army, Carlisle, PA; SSG Patrick Quinn, U.S. Army, Quarryville, PA.

As I conclude the list of Pennsylvanians who were killed in action over the past year, I want to say again we honor them. We pay tribute to them. By this brief commemoration we remember them. We remember them and we also remember the families they left behind. To quote Lincoln a second time, he once wrote to a family, ''I pray that our Heavenly Father may assuage of your bereavement, and leave you only the cherished memory of the loved and lost, and the solemn pride that must be yours to have laid so costly a sacrifice upon the altar of freedom.''

None of us could say it better than Abraham Lincoln did. But we offer that prayer tonight to the families. So to the families of our fallen heroes, from these and from other conflicts, please know that they and you are in our thoughts and prayers.

Again, I thank Senator TOOMEY.

I yield the floor and would suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BLUMENTHAL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CASEY). Without objection, it is so ordered.

MILITARY RETIREMENT RESTORATION ACT

Mr. BLUMENTHAL. Mr. President, I am very proud to follow my colleague from New Hampshire and thank her for her leadership in offering the Military Retirement Restoration Act, which I am very pleased to support as an amendment to the unemployment insurance extension bill.

For all the reasons I have stated, and others have expressed even more powerfully than I, this bill makes sense. We must extend unemployment benefits for the long-term jobless. The merits of this bill are absolutely indisputable and undeniable. This bill offers a critically important opportunity, and we ought to seize it to correct and fix a defect in the budget agreement that was reached by the very excellent work of our colleague Senator MURRAY and Congressman RYAN, and that was passed overwhelmingly by a bipartisan majority in this body.

It was an agreement that advanced and enhanced economic certainty. It had many advantages, but it also was far from perfect. Its flaws included a cut in military retiree benefits. These benefits were cut by provisions to that agreement that was approved by this body, with many reservations and regrets, and now we ought to seize this opportunity to correct that defect as this measure offers us through an amendment.

We can pay for it. It can be budget neutral, if we simply close a certain egregious corporate tax loophole as Senator SHAHEEN has suggested. I want to emphasize again what Senator SHAHEEN said so well. We can think of a lot of different ways to pay for the $6.5 billion that is necessary to correct these cuts in military retiree benefits. What is beyond question is the need to fix this flaw. It is a flaw that not only diminishes in monetary terms the benefits these retirees need and deserve, it also dishonors the service and sacrifice they have made. What better opportunity than now, as we deal with the extension of unemployment benefits in a measure that deserves overwhelming support just as the budget deal received, to correct this flaw.

There has been a lot of misinformation and confusion about exactly what the Murray-Ryan agreement did to military retirement benefits, and there is a need to address in the longer term the system that provides for retiree benefits, to make it serve better the interests of our retirees, our veterans, our patriots who have given so much to our Nation. But right now, in these next few days, beyond any kind of question or doubt, is the need to correct this defect and to follow through on the understanding that many of us had, including myself, that in fact we would correct this defect.

I supported the budget agreement with the understanding, as Chairman LEVIN of Michigan made clear, the Senate would work this year, as soon as possible, to stop the 1-percent reduction in the cost of living adjustments for military retirees until the age of 62 that would take effect in December of 2015. December, 2015 of that year is a long way off. There may be other opportunities to correct this flaw—the reduction in retiree benefits—but let's do it now. Let's not delay in restoring the benefits that these retirees need and deserve.

So I urge my colleagues to join in this effort, paying for this change by making sure companies managed and controlled in the United States can't avoid U.S. taxes simply by claiming foreign status. Many of us have long advocated closing this loophole. It seems to me a reasonable approach, far better than taking away the child tax credit for poor migrant families.

Ultimately, the pay-for issue, the offset question, should be resolved, and I believe it will be, if not in this act then in the Omnibus appropriations bill we will address next and then make sure we keep faith. We must assure that we will keep faith with these retirees who have given and served so much.

As Senator SHAHEEN has said, most Americans would agree this kind of tax avoidance is unfair, and we ought to

close this tax loophole rather than reducing military retiree benefits. What all Americans would agree with is that we should keep faith and leave no veteran behind, making sure this amendment is voted on and approved and given legal force and effect so we correct and fix the flaw in the budget agreement that has disallowed and dishonored the obligation we owe these retirees.

I thank the Presiding Officer, and I yield the floor.

REMEMBERING DICK CLARK

Mr. LEAHY. Mr. President, on December 5, the world lost one of the greatest leaders of our era, and of any era, when Nelson Mandela died at the age of 95. His capacity for forgiveness was rivaled only by his courage. His actions serve as an example for the entire world. Having led South Africa out of its darkest period of history, Mandela focused on achieving national reconciliation to transition his government from minority rule and apartheid, to a multicultural democracy. He was successful in this endeavor because he believed in the importance of bringing people together, breaking down the barriers that defined, and imprisoned, many South Africans. For Nelson Mandela, the opportunity to lead meant the possibility of painting South African society on a blank canvas. It meant the possibility of creating a unified and free South Africa, rather than perpetuating a fractured mosaic defined by inequality.

We are fortunate to have leaders among us who share many of Nelson Mandela's qualities of leadership and a focus on human rights. Having served for nearly four decades in the Senate, I have had the privilege to serve with some of them. Dick Clark, a Senator from Iowa who was in the Senate when I was first elected, is one such individual, and his story is connected to Nelson Mandela's legacy. I not only served with Senator Clark but I travelled with him to Vermont and elsewhere. His sense of commitment and his conscience set a Senate standard that is rarely matched.

He was a fierce opponent of apartheid, and a recent POLITICO article recalls Dick Clark's efforts to raise awareness in Congress on the importance of the issue, and to push legislation that would distance the United States from the South African government's activities in the region. His efforts eventually contributed to his electoral loss at the end of his term, but that did not keep him from pursing his goals. I am pleased that during this important period of reflection, Dick Clark's contributions continue to be recognized.

I ask unanimous consent that a copy of the recent POLITICO article, A Nelson Mandela backstory: Iowa's Dick Clark, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

[POLITICO, Dec. 26, 2013]

A NELSON MANDELA BACKSTORY: IOWA'S DICK CLARK

(By David Rogers)

Dick Clark was Mandela when Mandela wasn't cool.

A one-term Democratic senator from Iowa and for years afterward a leader of congressional discussions on apartheid, Clark is now 85 and long gone from the public scene. But the ups and downs of his career are an intriguing back story—and counterpoint—to the outpouring of praise for Nelson Mandela, the black liberation leader and former president of South Africa who died Dec. 5.

It wasn't always that way in Washington.

Indeed, Mandela turned 60 in South Africa's Robben Island prison in the summer of 1978 even as Clark—chairman of the African Affairs panel on the Senate Foreign Relations Committee—was fighting for his own re-election in Iowa.

It was a time when Republican challenger Roger Jepsen felt free to taunt the Democrat as ''the senator from Africa.'' Tensions were such that the State Department called in a South African Embassy official in May for making disparaging remarks about Clark in Iowa. And after Clark lost, South Africa's ousted information secretary, Eschel Rhoodie, said his government invested $250,000 to defeat Clark, who had become a thorn in the side of the white regime.

Jepsen denied any knowledge of South Africa's alleged role. Nor does Clark accuse him of such. But 35 years after, Clark has no doubt that the apartheid government led by Prime Minister B. J. Vorster wanted him out—and had a hand in his defeat.

Clark's liberal record and support of the Panama Canal Treaty, which narrowly cleared the Senate in the spring of 1978, also hurt his chances in Iowa. But the fatal blow was a fierce wave of late-breaking ground attacks from anti-abortion forces—something even conservative writers like Robert Novak had not anticipated in a published column weeks before.

''Abortion was the issue, and how much effect this apparent $250,000 had to do with promoting it more, I have no way of evaluating it,'' Clark said in a recent interview at his home in Washington. ''No question that they did it. They said they did, and I think they did.''

Clark had made himself a target for South Africa with his high-profile chairmanship of the Africa subcommittee. In Washington as well, he was not without critics who accused him of being too puritanical, too quick to fault U.S. policy. But like no senator before him, Clark used the panel to raise the visibility of human rights issues in the southern regions of the continent. The roster of prior Africa subcommittee chairs reads like a Who's Who of national Democrats: John Kennedy in the late 1950s; Tennessee Sen. Albert Gore, father of the future vice president; future Senate Majority Leader Mike Mansfield; and former Vice President Hubert Humphrey after his return to the Senate. But all stayed for just one Congress before moving on. Clark stuck, challenging Cold War policies that he believed hurt the larger struggle against apartheid that Mandela symbolized.

''He was the icebreaker here,'' says his friend Rep. George Miller (D–Cal.). ''He was out breaking ice on Africa issues for the country and certainly for the Senate.'' What's more, after losing his Senate seat, Clark didn't stop. Instead, he found a new classroom via the Aspen Institute, where the former professor began what amounted to his own graduate program in 1983 to educate members of Congress about different policy issues.

Russia had been Clark's early academic interest and was as well in his first years at Aspen. But Africa tugged and he set out ''to try to get a get a cadre of Congress who would know about South Africa and what was going on in South Africa.''

These typically were nearly weeklong seminars—held at choice locales overseas to lure members of Congress but also to provide neutral ground for the warring parties inside South Africa.

Bermuda, for example, served as a meeting place in 1989. The island allowed officials from the South African government to shuttle in and out before the arrival of outlawed representatives for Mandela's African National Congress, which was operating then from outside South Africa.

''All of them were there, making their pitches,'' Clark said. And once Mandela was released from prison in 1990, the venue shifted to South Africa itself. ''We got Mandela, who had just gotten out of jail not long before, to come,'' Clark recalls of an April 1991 session in Cape Town—a seminar that also included F. W. de Klerk, South Africa's white president.

Most striking here was Clark's impact on Republicans—the party that helped to throw him out of the Senate.

''He is a wonder,'' says former Sen. Alan Simpson (R–Wyo.). ''I had been told he was a lefty, the stereotype, but he just drew out people. He never showed bitterness toward the right or promoting one side.''

Just as ''Mandela made a difference, Dick Clark made a difference in awareness'' at home in Congress, Simpson adds.

Former Rep. John Porter (R–Ill.) remembers an Aspen meeting in Cape Town at which Clark surprised the participants on the last day by sending them out to walk through the neighborhoods of a black township to meet with families. ''Dick Clark would do things like that,'' Porter said.

''This was before all the big changes in South Africa when we were debating sanctions,'' said former Sen. John Danforth (R–Mo.). ''He was just so dedicated to it and knew all the players.'' In fact, Clark says he knew very little about Africa before coming to the Senate after the 1972 elections. But when a seat opened up on Foreign Relations in 1975, he grabbed it and fell into the Africa post—just ahead of his classmate Sen. JOSEPH BIDEN (D–Del.), the future vice president. Timing is everything in Congress and it was Clark's good fortune in this case. The legendary but very controlling Foreign Relations Committee Chairman J. William Fulbright (D–Ark.) had just left the Senate at the end of 1974 and this allowed subcommittee chairs like Clark to act more on their own.

''Fulbright's attitude was the subcommittees couldn't do anything. Everything ought to be done by the full committee,'' Clark said. ''I was next to last on seniority. When it got down to me, the only thing left was Africa about which I knew very little. Some would say none. So I just figured: Here's a chance to learn something and I spent a lot of time doing hearings and learning about Africa.''

He also traveled—venturing into southern, sub-Saharan Africa which was then unfamiliar to many on the Senate committee.

''Humphrey told me that he got as far south as Ethiopia,'' Clark said. ''It was new territory and interesting and of course we were putting a lot of covert money in Africa, as were the Russians.'' In the summer of 1975, Clark and two aides left Washington for what was to be a trip to just Tanzania, Zambia and Zaire. But that itinerary quickly expanded to include the two former Portuguese colonies, Mozambique and Angola.

The Angola detour was pivotal and included face-to-face meetings with Central Intelligence Agency personnel on the ground as

well as the leaders of the three rival factions in Angola's post-colonial civil war. The Soviet Union and Cuba were then actively backing the new leftist government under Agostinho Neto. The CIA and South Africa had begun a covert partnership assisting rebel factions: chiefly Jonas Savimbi in the south, but also Holden Roberto, whose base was more in the north and Zaire.

Soon after Clark returned, the debate broke into the open after news reports detailing the U.S. and South African operations. Congress cut off new funding in a December 1975 appropriations fight. It then quickly enacted a more permanent ban—the so-called Clark amendment—prohibiting future covert assistance for paramilitary operations in Angola.

Signed into law in February 1976, the Clark amendment was repealed under President Ronald Reagan in 1985. Conservatives long argued that it was always an overreach by Congress, reacting to Lyndon Johnson and Richard Nixon's handling of the Vietnam War.

''The danger now is the pendulum will swing too far the other way,'' Secretary of State Henry Kissinger warned Clark's panel in a January 1976 hearing. But for all the echoes of Vietnam, Clark says he saw his amendment more as a way to separate the U.S. from South Africa's apartheid regime.

''The reason the amendment passed so easily in both houses was because of Vietnam, so I certainly related the two,'' Clark said. ''But my interest was really in Africa and South Africa. We were aligning ourselves with apartheid forces. The reason for my amendment was to disassociate us from apartheid and from South Africa.''

''Kissinger had really no feeling for human rights that I could ever discern and certainly not in South Africa,'' Clark said. ''His association with South Africa was obviously very close.'' A year later, visiting South Africa, Clark got a taste of how closely the white government under Vorster had been watching him.

That trip included an important meeting in Port Elizabeth with the young black leader, Steve Biko, who had just been released from jail and would die 10 months later after a brutal interrogation in the summer of 1977. Clark said he became a courier of sorts, taking back a Biko memorandum to Jimmy Carter's incoming administration. But while in South Africa, Vorster himself wanted to see Clark and spent much of an hour quizzing the senator on his past public comments—even down to small college appearances in the U.S. ''He spent an hour with me,'' Clark said. ''They obviously had followed me to each of these, much to my surprise.''

''He would quote me. And then he would say, Did you say that on such and such a date and such and such a place?' ''We went through this for an hour. He just wanted the opportunity to tell me how wrong I was about everything I was saying.''

''He was the last great Afrikaner president,'' Clark said. ''In fact, he ultimately resigned over the embarrassment of the Muldergate thing years later.'' The Muldergate thing—as Clark calls it—was a major scandal inside South Africa in the late 1970s when it was revealed that government funds had been used by the ruling National Party to mount a far-reaching propaganda campaign in defense of apartheid.

This went well beyond placing favorable articles or opinion pieces in the press. Tens of millions of dollars were invested to try to undermine independent South African papers. There was even a failed attempt in the U.S. to buy the Washington Star in hopes of influencing American policy. Muldergate got its name from Connie Mulder, South Africa's information minister at the time. But just as Watergate had its John Dean, Rhoodie—a top deputy to Mulder—proved the top witness: a suave propagandist who later gave detailed interviews and wrote his own book on the subject filling 900-plus pages.

Rhoodie, who was prosecuted for fraud but cleared by an appeals court in South Africa, ultimately relocated to the U.S., where he died in Atlanta in 1993. But by his account, the Vorster government had used its contacts with a Madison Avenue public relations firm, Sydney S. Baron & Co. Inc., to undermine Clark's reelection.

Rhoodie describes a meeting early in 1978 in South Africa attended by Mulder, Vorster and Baron at which Clark's election was specifically discussed, and the $250,000 was later moved into one of Baron's accounts ''to make sure that Clark was defeated.'' As South Africa's information secretary, Rhoodie was in fact the signatory of contracts with Baron, according to filings with the Justice Department. These show the New York firm initially received about $365,000 annually under a contract signed in April 1976. This was increased to $650,000 a year later. In August 1977, the same arrangement was extended through January 1979, including a $250,000 payment in April 1978.

Whether this $250,000 is a coincidence or what Rhoodie was speaking on is not clear. At this stage, most of the major players are dead and New York state corporate records show Baron's firm was dissolved in 1993—the year that Rhoodie died.

Watching it all is Clark's friend, old boss in the House and later Senate colleague, John Culver. The two met in 1964, when Clark signed on to help Culver win his first House election and then worked with Culver in Washington until 1972, when Clark went back to Iowa to run for the Senate. A Harvard-educated Marine Corps veteran, Culver said he had his own fascination with Africa as a young man in the 1960s. But he remembered that era as a time of greater optimism, as new countries across the continent were emerging from colonial rule.

''Dick came to it when there was less political reward,'' Culver said. ''But he stuck to it.''

TRIBUTE TO KATHLEEN MCGHEE

Mrs. FEINSTEIN. Mr. President, I rise today with Senator SAXBY CHAMBLISS to honor and thank one of the Senate's longest-serving and most widely-respected professional staff members—Kathleen McGhee. Kathleen is retiring this week after 33 years of continual service to the Select Committee on Intelligence.

As all Senators know, much of the work of the Senate is done quietly and behind the scenes, by staff whose names are not in the papers and who are not in public service for the recognition. This is especially true for the work of the Intelligence Committee, which operates behind closed doors and—when things are working right—without public attention. For 33 years, Kathleen McGhee was the person who made sure that the committee operated professionally by ensuring that our hearings ran smoothly, reports were written, letters sent and received, transcripts maintained, and budgets were met, all in a timely fashion.

The only thing she has not been able to overcome is the mice.

Kathleen came to the committee shortly after graduating from the University of Maryland, joining the committee staff on April 7, 1980, in order to assist the committee's arms control expert. She subsequently provided administrative support to the committee's budget director, minority counsel, and minority staff director. In 1987, Chairman David L. Boren appointed Kathleen as the chief clerk of the Intelligence Committee, a position she has held ever since.

In her time here, she has been present when some of our Nation's most important national security issues were considered and debated—from espionage during the Cold War to the response to the terrorist attacks of September 11, 2001, and many more. In the thousands of hearings, briefings, and markups she has run, Kathleen has truly seen and heard it all.

Kathleen has served as clerk, and mostly as chief clerk, for 11 committee chairmen: Birch Bayh, Barry Goldwater, Dave Durenberger, David Boren, Dennis DeConcini, Arlen Specter, RICHARD SHELBY, Bob Graham, PAT ROBERTS, JAY ROCKEFELLER, and for me. Owing to the nature of the committee and its rules, and to her even-handed, nonpartisan approach, she has also served many Vice Chairmen equally well during her tenure: Patrick Moynihan, PAT LEAHY, Bill Cohen, Frank Murkowski, John Warner, Bob Kerrey, Richard Bryan, Kit Bond, and now SAXBY CHAMBLISS, to name a few. Few people in the U.S. Congress can say that they have worked for so many Senators—85 Senators in all—and as professionally.

As importantly, in her time here, and especially as the committee's chief clerk for more than two decades, Kathleen has worked with more than 300 staffers who have uniformly appreciated and respected her professionalism and collegiality. Kathleen has managed the administrative staff and functions of the committee, and coordinated with other Senate offices on matters ranging from the rules to the architecture. She has walked dozens of staff directors through the preparation and execution of the committee's budget and has been hailed repeatedly as the committee's ''institutional memory.''

As the chief clerk, Kathleen has been responsible for showing new staffers the ropes and making sure they were able to transition smoothly into their new roles on the committee staff. Especially for people used to the bureaucratic difficulties in the executive branch, her ability to pave the way has been nearly miraculous.

Sadly, but understandably, it is now the time for her own transition—although true to her form, Kathleen agreed to continue her service longer than anticipated in order to make sure that the hand-off to her successor would go smoothly.

Now, we are pleased to take the opportunity on behalf of the Senate to thank Kathleen McGhee for her tremendous service to the Select Committee on Intelligence, the Senate, and

the Nation. We wish her all the very best as she enjoys a well-earned retirement to her home in Falls Church, VA, and on her beloved shores of Bethany Beach, DE, with her husband Mike and children, Luke and Molly.

RECOGNIZING WEBER STATE UNIVERSITY

Mr. LEE. Mr. President, this week marks the 125th anniversary of the first week of classes at Weber State University, and I would like to take a moment to officially recognize this valued Utah institution.

In the mid-1800s, pioneers from the Mormon Church, also know as the Church of Jesus Christ of Latter-day Saints, settled an area 35 miles north of Salt Lake City, known as the Weber Valley. The surrounding area, including the Weber River, was earlier named in honor of John Henry Weber, a noted frontier trapper with the Rocky Mountain Fur Company.

As our country continued westward expansion, it became necessary to create territorial governments. During this expansive period, Congress passed the Compromise of 1850, part of which created the Utah Territory. The territorial government oversaw general administrative matters, including the establishment of schools, during the latter half of the 19th century. The region experienced an increase in population, as Mormons and non-Mormons alike came to further settle the West. With the driving of the golden spike at nearby promontory summit in 1869, the completion of the Transcontinental Railroad brought tremendous economic growth to the Weber Valley.

As the Mormon settlers grew in numbers and cultivated the land, they also created institutions of learning for themselves and their children. In 1888, members of the Mormon Church were encouraged by their leaders to institute local boards of education to oversee the creation of schools that could teach the principles of religion in conjunction with the standard curriculum of the day.

In 1889, the regional group of Mormon congregations, known as the Weber Stake of Zion, started the Weber Stake Academy for the education of local students who had passed the sixth grade. The school was ''open to students of either sex, and of any religious denomination or nationality.'' The mission of the academy was ''to provide an education which includes moral culture, as well as mental and physical training.'' Courses were offered in theology, business, pedagogy and psychology, languages, English and literature, natural and physical science, mathematics, history, and political science.

The school grew in notoriety and enrollment over the following 20 years. In 1918, it was renamed ''Weber Normal College'' and subsequently ''Weber College,'' as the institution eventually dropped all preparatory and high school education to focus on college-level education. During the first few decades of the 20th century, the famed purple and white were chosen as school colors, and the wildcat was apparently adopted as the school mascot after a reporter dubbed the football players ''scrappy as a bunch of wildcats.''

As the 1920s closed, the Great Depression began to take shape and Weber College, like all other institutions at the time, did not foresee the financial calamity that would befall her. After a few years of struggle, the Weber College Board, in conjunction with the church's Board of Education, transferred the school to the State of Utah in 1933. The subsequent years were very difficult for faculty and students, but the junior college persevered and continued to mold good citizens.

The school carried along and grew in size as the Depression subsided. With the attack on Pearl Harbor and the entry of the United States into World War II, Weber College's faculty and students did all that they could to support the war efforts. Many students joined the armed forces, and the school helped in training naval cadets and radio operators for the military.

Because of the war, mostly women attended the school, and they ''had to hold things down until the fellows returned to campus,'' as one alumna recalled. In 1945, the school even held a dance called the ''Polygamist Prance,'' which was girl's choice. To make sure that all the girls could attend, the boys were to accept all requests for a date. Many boys showed up at the dance with 5 or 10 dates, and even though such a ration was unfair to the girls, the students had a great time.

Although it was a tremendously difficult time for the entire country, Weber College students, showing the spirit of America's greatest generation, exhibited principled leadership and courage through the storm of World War II. In all, 82 faculty and alumni did not return from Europe or the Pacific, and all were profoundly affected by the great and terrible conflict.

As the war came to a close, Weber prepared for the return of many soldiers who were anxious to go to college. Enrollment exploded from 465 students in 1945 to over 2,000 students in 1959, and 3,000 students in 1962. During this time of expansion, the Utah Legislature directed the State board of education to find a new place for the burgeoning school. The college was subsequently moved from downtown Ogden to Harrison Boulevard, where it currently resides today.

In 1959, the men's basketball team, an ever-formidable force, won the Junior College National Championship. In that same year, the Utah Legislature passed a bill allowing Weber College to become a 4-year senior college, and the first courses contributing to 4-year degrees were offered in 1962. The next year, Weber College became Weber State College, and the campus was greatly expanded during this time.

Weber continued to grow and progress as Weber State College over the subsequent 30 years, and in 1991 Weber State College was made Weber State University. The university now has more than 26,000 full- and part-time students and offers more than 250 undergraduate degrees and 11 graduate degrees. The athletic programs continue to be ranked among the best in their divisions, and the arts at Weber State continue to enrich the lives of many Utahns.

President Charles A. Wright now continues the tradition of excellence in leadership, which has been passed down for 125 years. Weber State boasts many notable alumni, and the institution continues to fulfill its mission to serve ''as an educational, cultural, and economic leader for the region.''

Although I normally bleed blue, I have set aside this week to bleed purple with my Wildcat friends and colleagues. I congratulate the countless students and faculty members who have worked hard to make Weber State University what it is today. May the next 125 years be as tremendous as the last, and may the ensign of truth and right continue to proudly wave o're ole Weber.

HONORING OUR ARMED FORCES

SERGEANT DANIEL VASSELIAN

Mrs. SHAHEEN. Mr. President, today I wish to honor the life and service of U.S. Marine Sgt. Daniel Vasselian, who was killed in the line of duty on December 23, 2013 while conducting combat operations in Helmand province, Afghanistan. Sergeant Vasselian was assigned to 1st Battalion, 9th Marine Regiment, 2nd Marine Division, II Marine Expeditionary Force, Camp Lejune, N.C., and was serving his third tour of duty when he was killed at the young age of 27.

''Danny'', as he was known by family and friends, was a proud son of the small Massachusetts town of Abington, where he was known as a kind, courageous and fun-loving young man. Danny graduated from Abington High School in 2004, and was fortunate to have already met the love of his life, Erin, whom he went on to marry. Erin and Danny celebrated their fourth wedding anniversary in December. A tribute to his standing in Abington, thousands of people lined the town's streets to escort Sergeant Vasselian's casket to the funeral service.

In 2006, Sergeant Vasselian enlisted with the Marines and was assigned to 2/3 Echo Company Infantry, eventually deploying to tours in Iraq and Afghanistan. The heroism and professionalism of Sergeant Vasselian and his Marine Corps units merited numerous awards, including a Purple Heart Award, a Combat Action Ribbon, a Presidential Unit Citation and a Navy Unit Commendation. Sergeant Vasselian's love for his Marine brothers was infallible, and ultimately led him to volunteer for the mission that cost him his life.

Sergeant Vasselian's outsized personality and good heartedness will not

soon be forgotten by those who were lucky enough to have known him. It is my hope that during this extremely difficult time, his family and friends will find comfort in knowing that Americans everywhere appreciate deeply his vow to defend our country so that the rest of us may continue to live in peace and freedom.

Along with his parents Mark and Karen, as well as his step-mother Alice, Danny is survived by his wife Erin (Doyle) Vasselian; his siblings Jeannine, Julianne and Joseph; his grandmother Jeanne Vasselian; his grandfather Thomas P. Connor; his mother and father-in-law David and Patricia Doyle; his nephew and niece Cayleb and Shaelyn Barrio; also aunts, uncles, cousins and friends. This patriot will be missed by all.

I ask my colleagues and all Americans to join me in honoring the life and service of this brave young American, Daniel Vasselian.

ADDITIONAL STATEMENTS

JOHN FITZGERALD KENNEDY ELEMENTARY SCHOOL

• Mr. BAUCUS. Mr. President, I rise today to recognize the 50th anniversary of the dedication of John Fitzgerald Kennedy Elementary School in Butte, MT. The school is marking 50 years since it became the first in the country to change its name in honor of President Kennedy. I would like to commend the faculty, staff, and students of the school and the entire Butte community on this important occasion. In January 1964, Senator Mike Mansfield spoke at the dedication ceremony for the school. I ask unanimous consent that Senator Mansfield's speech be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEDICATION OF JOHN FITZGERALD KENNEDY ELEMENTARY SCHOOL, BUTTE, MONTANA

ADDRESS BY SENATOR MIKE MANSFIELD (D–MONTANA)

BUTTE, MONTANA, JANUARY 4, 1964

It was in this neighborhood that Maureen Mansfield, my wife, lived as a child. These streets echoed her footsteps. These by-ways knew her childhood laughter and tears. These dwellings housed her friends and neighbors.

Many who knew her in those days not so long ago have gone and many who do not know her have come. But the attachment remains. And for that reason I am grateful to be here today among old friends and new.

And I am grateful, too, for another reason. After the immense sorrow of the past few weeks, I am grateful for the occasion which has summoned us all here. For we have come together to give a name to a school. The name we give is that of a fine human being, a man of warmth, of depth, and of deep dedication to his country.

John Fitzgerald Kennedy was an extraordinary man in an ordinary way. He loved his family. He loved the United States of America. And he fused these two great loves of his life, in the fires of a profound human understanding and an exceptional intellect, into a great leadership.

It was a leadership which sought to awaken us to our responsibilities to one another in this nation. It was a leadership which called to us to correct through our individual lives and our common institutions and the inequities and inadequacies which weigh heavily on millions of Americans. It was a leadership for the things which enlighten for confidence, for tolerance, for mutual restraint and respect among all Americans. It was a leadership against the things which divide—against arrogance and the purveyance of fear, bigotry, hatred and the idolatry of ignorance.

This nation is a better nation because John Fitzgerald Kennedy lived among us and was our president and died in our service. He gave to us in life. He gives to us, too, in death. For the loss which we have suffered has awakened in all who were touched deeply by it, an awareness of all that is finest in ourselves and in this nation. Out of that awakening may we find the quiet strength to seek a new decency at home and to pursue in the years ahead, a reasoned peace in the world. These were the two fundamental objectives of President John Fitzgerald Kennedy and with God's help they shall be achieved in the fullness of their time.

Today, we give this school his name. There is no more fitting way in which to express a respect and appreciation for him. He knew that education was a master key to human decency and to international peace. And the contributions which, under his leadership, this Congress has made to its advancement represent one of the most significant advances in many decades.

A school is bricks and mortar. It is wise and understanding teachers. It is young people, eager and trusting. It is all these things brought together and held together by the belief that truth is the end and that by reason and faith we shall know it. That belief, John Fitzgerald Kennedy held in every fiber of his being. May his name help to solidify in this school that belief. May it help to bring to all who are of it in all the years to come a measure of his courage, his wisdom, his decency—his humanity.•

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:02 a.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1614. A bill to require Certificates of Citizenship and other Federal documents to reflect name and date of birth determinations made by a State court and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. LEAHY).

At 1:24 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has agreed to H. Res. 451, resolving that the Clerk of the House inform the Senate that a quorum of the House is present and that the House is ready to proceed with business.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, January 8, 2014, she had presented to the President of the United States the following enrolled bill:

S. 1614. An act to require Certificates of Citizenship and other Federal documents to reflect name and date of birth determinations made by a State court and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROCKEFELLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 267. A bill to prevent, deter, and eliminate illegal, unreported and unregulated fishing through port State measures (Rept. No. 113–132).

By Mr. ROCKEFELLER, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1068. A bill to reauthorize and amend the National Oceanic and Atmospheric Administration Commissioned Officer Corps Act of 2002, and for other purposes (Rept. No. 113–133).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. LEAHY (for himself, Mr. SCHUMER, Mr. FRANKEN, and Mr. BLUMENTHAL):

S. 1897. A bill to prevent and mitigate identity theft, to ensure privacy, to provide notice of security breaches, and to enhance criminal penalties, law enforcement assistance, and other protections against security breaches, fraudulent access, and misuse of personally identifiable information; to the Committee on the Judiciary.

By Ms. WARREN (for herself and Mr. COBURN):

S. 1898. A bill to require adequate information regarding the tax treatment of payments under settlement agreements entered into by Federal agencies, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

ADDITIONAL COSPONSORS

S. 41

At the request of Ms. CANTWELL, the name of the Senator from Texas (Mr. CORNYN) was added as a cosponsor of S.

41, a bill to provide a permanent deduction for State and local general sales taxes.

S. 91

At the request of Mr. VITTER, the name of the Senator from New Hampshire (Ms. AYOTTE) was added as a cosponsor of S. 91, a bill to amend the Internal Revenue Code of 1986 to clarify eligibility for the child tax credit.

S. 127

At the request of Mr. HELLER, the name of the Senator from Texas (Mr. CORNYN) was added as a cosponsor of S. 127, a bill to provide a permanent deduction for State and local general sales taxes.

S. 367

At the request of Mr. CARDIN, the name of the Senator from New Hampshire (Ms. AYOTTE) was added as a cosponsor of S. 367, a bill to amend title XVIII of the Social Security Act to repeal the Medicare outpatient rehabilitation therapy caps.

S. 534

At the request of Mr. TESTER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 534, a bill to reform the National Association of Registered Agents and Brokers, and for other purposes.

S. 824

At the request of Mr. MENENDEZ, the name of the Senator from Massachusetts (Mr. MARKEY) was added as a cosponsor of S. 824, a bill to amend the Securities Exchange Act of 1934 to require shareholder authorization before a public company may make certain political expenditures, and for other purposes.

S. 1128

At the request of Mr. TOOMEY, the name of the Senator from Florida (Mr. RUBIO) was added as a cosponsor of S. 1128, a bill to clarify the orphan drug exception to the annual fee on branded prescription pharmaceutical manufacturers and importers.

S. 1174

At the request of Mr. BLUMENTHAL, the name of the Senator from Ohio (Mr. PORTMAN) was added as a cosponsor of S. 1174, a bill to award a Congressional Gold Medal to the 65th Infantry Regiment, known as the Borinqueneers.

S. 1249

At the request of Mr. BLUMENTHAL, the name of the Senator from North Dakota (Ms. HEITKAMP) was added as a cosponsor of S. 1249, a bill to rename the Office to Monitor and Combat Trafficking of the Department of State the Bureau to Monitor and Combat Trafficking in Persons and to provide for an Assistant Secretary to head such Bureau, and for other purposes.

S. 1271

At the request of Mr. RUBIO, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 1271, a bill to direct the President to establish guidelines for the United States foreign assistance programs, and for other purposes.

S. 1452

At the request of Mr. FRANKEN, the name of the Senator from New Hampshire (Mrs. SHAHEEN) was added as a cosponsor of S. 1452, a bill to enhance transparency for certain surveillance programs authorized by the Foreign Intelligence Surveillance Act of 1978 and for other purposes.

S. 1465

At the request of Mr. LEVIN, the name of the Senator from Rhode Island (Mr. WHITEHOUSE) was added as a cosponsor of S. 1465, a bill to ensure that persons who form corporations in the United States disclose the beneficial owners of those corporations, in order to prevent the formation of corporations with hidden owners, stop the misuse of United States corporations by wrongdoers, and assist law enforcement in detecting, preventing, and punishing terrorism, money laundering, tax evasion, and other criminal and civil misconduct involving United States corporations, and for other purposes.

S. 1565

At the request of Mr. CASEY, the name of the Senator from Connecticut (Mr. BLUMENTHAL) was added as a cosponsor of S. 1565, a bill to require the Secretary of Labor to maintain a publicly available list of all employers that relocate a call center overseas, to make such companies ineligible for Federal grants or guaranteed loans, and to require disclosure of the physical location of business agents engaging in customer service communications, and for other purposes.

S. 1590

At the request of Mr. ALEXANDER, the name of the Senator from Kansas (Mr. MORAN) was added as a cosponsor of S. 1590, a bill to amend the Patient Protection and Affordable Care Act to require transparency in the operation of American Health Benefit Exchanges.

S. 1618

At the request of Ms. COLLINS, the name of the Senator from New York (Mrs. GILLIBRAND) was added as a cosponsor of S. 1618, a bill to enhance the Office of Personnel Management background check system for the granting, denial, or revocation of security clearances or access to classified information of employees and contractors of the Federal Government.

S. 1729

At the request of Mr. BEGICH, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1729, a bill to amend the Patient Protection and Affordable Care Act to provide further options with respect to levels of coverage under qualified health plans.

S. 1738

At the request of Mr. CORNYN, the name of the Senator from North Dakota (Ms. HEITKAMP) was added as a cosponsor of S. 1738, a bill to provide justice for the victims of trafficking.

S. 1739

At the request of Mr. HOEVEN, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 1739, a bill to modify the efficiency standards for grid-enabled water heaters.

S. 1798

At the request of Mr. WARNER, the names of the Senator from Arkansas (Mr. BOOZMAN) and the Senator from Ohio (Mr. PORTMAN) were added as cosponsors of S. 1798, a bill to ensure that emergency services volunteers are not counted as full-time employees under the shared responsibility requirements contained in the Patient Protection and Affordable Care Act.

S. 1845

At the request of Mr. REED, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. 1845, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

S. 1848

At the request of Mr. ROBERTS, the names of the Senator from South Carolina (Mr. GRAHAM) and the Senator from Oklahoma (Mr. COBURN) were added as cosponsors of S. 1848, a bill to amend section 1303(b)(3) of Public Law 111–148 concerning the notice requirements regarding the extent of health plan coverage of abortion and abortion premium surcharges.

S. 1869

At the request of Mr. MCCONNELL, his name was added as a cosponsor of S. 1869, a bill to repeal section 403 of the Bipartisan Budget Act of 2013, relating to an annual adjustment of retired pay for members of the Armed Forces under the age of 62, and to provide an offset.

At the request of Ms. AYOTTE, the names of the Senator from Wyoming (Mr. ENZI) and the Senator from Louisiana (Mr. VITTER) were added as cosponsors of S. 1869, supra.

S. 1875

At the request of Mr. WYDEN, the name of the Senator from Colorado (Mr. UDALL) was added as a cosponsor of S. 1875, a bill to provide for wildfire suppression operations, and for other purposes.

S. 1881

At the request of Mr. MENENDEZ, the names of the Senator from Wyoming (Mr. BARRASSO), the Senator from Wisconsin (Mr. JOHNSON), the Senator from North Dakota (Mr. HOEVEN), the Senator from North Carolina (Mr. BURR), the Senator from Colorado (Mr. BENNET) and the Senator from Nevada (Mr. HELLER) were added as cosponsors of S. 1881, a bill to expand sanctions imposed with respect to Iran and to impose additional sanctions with respect to Iran, and for other purposes.

S. CON. RES. 26

At the request of Mr. BLUMENTHAL, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. Con. Res. 26, a concurrent resolution recognizing the need to improve

physical access to many federally funded facilities for all people of the United States, particularly people with disabilities.

S. RES. 328

At the request of Mr. CRUZ, the names of the Senator from Utah (Mr. HATCH) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. Res. 328, a resolution expressing the sense of the Senate on steps the Government of Iran must take before further bilateral negotiations between the Government of Iran and the United States Government occur.

AMENDMENT NO. 2603

At the request of Mr. INHOFE, his name was withdrawn as a cosponsor of amendment No. 2603 intended to be proposed to S. 1845, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

At the request of Ms. AYOTTE, the names of the Senator from Wyoming (Mr. ENZI), the Senator from Louisiana (Mr. VITTER) and the Senator from Pennsylvania (Mr. TOOMEY) were added as cosponsors of amendment No. 2603 intended to be proposed to S. 1845, supra.

At the request of Mr. JOHANNS, his name was added as a cosponsor of amendment No. 2603 intended to be proposed to S. 1845, supra.

AMENDMENT NO. 2606

At the request of Mr. COBURN, the names of the Senator from North Carolina (Mr. BURR), the Senator from New Hampshire (Ms. AYOTTE) and the Senator from Pennsylvania (Mr. TOOMEY) were added as cosponsors of amendment No. 2606 intended to be proposed to S. 1845, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

At the request of Mr. JOHANNS, his name was added as a cosponsor of amendment No. 2606 intended to be proposed to S. 1845, supra.

AMENDMENT NO. 2607

At the request of Mr. JOHANNS, his name was added as a cosponsor of amendment No. 2607 intended to be proposed to S. 1845, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

AMENDMENT NO. 2608

At the request of Mr. BLUMENTHAL, the name of the Senator from New York (Mrs. GILLIBRAND) was added as a cosponsor of amendment No. 2608 intended to be proposed to S. 1845, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

AMENDMENT NO. 2611

At the request of Mr. JOHANNS, his name was added as a cosponsor of amendment No. 2611 intended to be proposed to S. 1845, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

AMENDMENT NO. 2612

At the request of Mr. MORAN, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of amendment No. 2612 intended to be proposed to S. 1845, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself, Mr. SCHUMER, Mr. FRANKEN, and Mr. BLUMENTHAL):

S. 1897. A bill to prevent and mitigate identity theft, to ensure privacy, to provide notice of security breaches, and to enhance criminal penalties, law enforcement assistance, and other protections against security breaches, fraudulent access, and misuse of personally identifiable information; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, today, I am reintroducing the Personal Data Privacy and Security Act. The recent data breach at Target involving the debit and credit card data of as many as 40 million customers during the Christmas holidays is a reminder that developing a comprehensive national strategy to protect data privacy and cybersecurity remains one of the most challenging and important issues facing our Nation. The Personal Data Privacy and Security Act will help to meet this challenge, by better protecting Americans from the growing threats of data breaches and identity theft. I thank Senators FRANKEN, SCHUMER and BLUMENTHAL for cosponsoring this important privacy legislation.

When I first introduced this bill 9 years ago, I had high hopes of bringing urgently needed data privacy reforms to the American people. Although the Judiciary Committee favorably reported this bill numerous times this legislation has languished on the Senate calendar.

In the meantime, the dangers to Americans' privacy, economic prosperity and national security posed by data breaches have not gone away. According to the Privacy Rights Clearinghouse, more than 662 million records have been involved in data security breaches since 2005. According to Verizon's 2013 Data Breach Investigations Report, there were more than 600 publicly disclosed data breaches last year. These data security breaches have become all too common and these cyberthreats have placed Americans' privacy rights at great risk.

In 2011, the Obama administration released several proposals to enhance cybersecurity, including a data breach proposal that adopted the carefully balanced framework of our legislation. I am happy that many of the sound privacy principles in this bill have been embraced by the administration.

The Personal Data Privacy and Security Act requires companies that have databases with sensitive personal information on Americans establish and implement data privacy and security programs. The bill would also establish a single nationwide standard for data breach notification and require notice to consumers when their sensitive personal information has been compromised.

This bill also provides for tough criminal penalties for anyone who would intentionally and willfully conceal the fact that a data breach has occurred when the breach causes economic damage to consumers. The bill also includes the Obama administration's proposal to update the Computer Fraud and Abuse Act, so that attempted computer hacking and conspiracy to commit computer hacking offenses are subject to the same criminal penalties, as the underlying offenses.

I have drafted this bill after long and thoughtful consultation with many of the stakeholders on this issue, including the privacy, consumer protection and business communities. I have also consulted with the Departments of Justice and Homeland Security, and with the Federal Trade Commission.

This is a comprehensive bill that not only addresses the need to provide Americans with notice when they have been victims of a data breach, but that also deals with the underlying problem of lax security and lack of accountability to help prevent data breaches from occurring in the first place. Enacting this comprehensive data privacy legislation remains one of my legislative priorities as Chairman of the Judiciary Committee.

Protecting privacy rights is of critical importance to all of us, regardless of party or ideology. I hope that all Senators will support this measure to better protect Americans' privacy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Personal Data Privacy and Security Act of 2014''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. FINDINGS.

Congress finds that—

(1) databases of personally identifiable information are increasingly prime targets of hackers, identity thieves, rogue employees, and other criminals, including organized and sophisticated criminal operations;

(2) identity theft is a serious threat to the Nation's economic stability, national security, homeland security, cybersecurity, the development of e-commerce, and the privacy rights of Americans;

(3) security breaches are a serious threat to consumer confidence, homeland security, national security, e-commerce, and economic stability;

(4) it is important for business entities that own, use, or license personally identifiable information to adopt reasonable procedures to ensure the security, privacy, and confidentiality of that personally identifiable information;

(5) individuals whose personal information has been compromised or who have been victims of identity theft should receive the necessary information and assistance to mitigate their damages and to restore the integrity of their personal information and identities;

(6) data misuse and use of inaccurate data have the potential to cause serious or irreparable harm to an individual's livelihood, privacy, and liberty and undermine efficient and effective business and government operations;

(7) government access to commercial data can potentially improve safety, law enforcement, and national security; and

(8) because government use of commercial data containing personal information potentially affects individual privacy, and law enforcement and national security operations, there is a need for Congress to exercise oversight over government use of commercial data.

SEC. 3. DEFINITIONS.

In this Act, the following definitions shall apply:

(1) AFFILIATE.—The term ''affiliate'' means persons related by common ownership or by corporate control.

(2) AGENCY.—The term ''agency'' has the same meaning given such term in section 551 of title 5, United States Code.

(3) BUSINESS ENTITY.—The term ''business entity'' means any organization, corporation, trust, partnership, sole proprietorship, unincorporated association, or venture established to make a profit, or nonprofit.

(4) DATA SYSTEM COMMUNICATION INFORMATION.—The term ''data system communication information'' means dialing, routing, addressing, or signaling information that identifies the origin, direction, destination, processing, transmission, or termination of each communication initiated, attempted, or received.

(5) DESIGNATED ENTITY.—The term ''designated entity'' means the Federal Government entity designated by the Secretary of Homeland Security under section 216(a).

(6) ENCRYPTION.—The term ''encryption''—

(A) means the protection of data in electronic form, in storage or in transit, using an encryption technology that has been generally accepted by experts in the field of information security that renders such data indecipherable in the absence of associated cryptographic keys necessary to enable decryption of such data; and

(B) includes appropriate management and safeguards of such cryptographic keys so as to protect the integrity of the encryption.

(7) IDENTITY THEFT.—The term ''identity theft'' means a violation of section 1028(a)(7) of title 18, United States Code.

(8) PERSONALLY IDENTIFIABLE INFORMATION.—The term ''personally identifiable information'' means any information, or compilation of information, in electronic or digital form that is a means of identification, as defined by section 1028(d)(7) of title 18, United State Code.

(9) PUBLIC RECORD SOURCE.—The term ''public record source'' means the Congress, any agency, any State or local government agency, the government of the District of Columbia and governments of the territories or possessions of the United States, and Federal, State or local courts, courts martial and military commissions, that maintain personally identifiable information in records available to the public.

(10) SECURITY BREACH.—

(A) IN GENERAL.—The term ''security breach'' means compromise of the security, confidentiality, or integrity of, or the loss of, computerized data that result in, or that there is a reasonable basis to conclude has resulted in—

(i) the unauthorized acquisition of sensitive personally identifiable information; and

(ii) access to sensitive personally identifiable information that is for an unauthorized purpose, or in excess of authorization.

(B) EXCLUSION.—The term ''security breach'' does not include—

(i) a good faith acquisition of sensitive personally identifiable information by a business entity or agency, or an employee or agent of a business entity or agency, if the sensitive personally identifiable information is not subject to further unauthorized disclosure;

(ii) the release of a public record not otherwise subject to confidentiality or nondisclosure requirements or the release of information obtained from a public record, including information obtained from a news report or periodical; or

(iii) any lawfully authorized investigative, protective, or intelligence activity of a law enforcement or intelligence agency of the United States, a State, or a political subdivision of a State.

(11) SENSITIVE PERSONALLY IDENTIFIABLE INFORMATION.—The term ''sensitive personally identifiable information'' means any information or compilation of information, in electronic or digital form that includes the following:

(A) An individual's first and last name or first initial and last name in combination with any two of the following data elements:

(i) Home address or telephone number.

(ii) Mother's maiden name.

(iii) Month, day, and year of birth.

(B) A non-truncated social security number, driver's license number, passport number, or alien registration number or other government-issued unique identification number.

(C) Unique biometric data such as a finger print, voice print, a retina or iris image, or any other unique physical representation.

(D) A unique account identifier, including a financial account number or credit or debit card number, electronic identification number, user name, or routing code.

(E) Any combination of the following data elements:

(i) An individual's first and last name or first initial and last name.

(ii) A unique account identifier, including a financial account number or credit or debit card number, electronic identification number, user name, or routing code.

(iii) Any security code, access code, or password, or source code that could be used to generate such codes or passwords.

(12) SERVICE PROVIDER.—The term ''service provider'' means a business entity that provides electronic data transmission, routing, intermediate and transient storage, or connections to its system or network, where the business entity providing such services does not select or modify the content of the electronic data, is not the sender or the intended recipient of the data, and the business entity transmits, routes, stores, or provides connections for personal information in a manner that personal information is undifferentiated from other types of data that such business entity transmits, routes, stores, or provides connections. Any such business entity shall be treated as a service provider under this Act only to the extent that it is engaged in the provision of such transmission, routing, intermediate and transient storage or connections.

TITLE I—ENHANCING PUNISHMENT FOR IDENTITY THEFT AND OTHER VIOLATIONS OF DATA PRIVACY AND SECURITY

SEC. 101. ORGANIZED CRIMINAL ACTIVITY IN CONNECTION WITH UNAUTHORIZED ACCESS TO PERSONALLY IDENTIFIABLE INFORMATION.

Section 1961(1) of title 18, United States Code, is amended by inserting ''section 1030 (relating to fraud and related activity in connection with computers) if the act is a felony,'' before ''section 1084''.

SEC. 102. CONCEALMENT OF SECURITY BREACHES INVOLVING SENSITIVE PERSONALLY IDENTIFIABLE INFORMATION.

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by adding at the end the following:

''§ 1041. Concealment of security breaches involving sensitive personally identifiable information

''(a) IN GENERAL.—Whoever, having knowledge of a security breach and of the fact that notice of such security breach is required under title II of the Personal Data Privacy and Security Act of 2014, intentionally and willfully conceals the fact of such security breach, shall, in the event that such security breach results in economic harm to any individual in the amount of $1,000 or more, be fined under this tile or imprisoned for not more than 5 years, or both.

''(b) PERSON DEFINED.—For purposes of subsection (a), the term 'person' has the

meaning given the term in section 1030(e)(12).

''(c) NOTICE REQUIREMENT.—Any person seeking an exemption under section 212(b) of the Personal Data Privacy and Security Act of 2014 shall be immune from prosecution under this section if the Federal Trade Commission does not indicate, in writing, that such notice be given under section 212(b)(3) of such Act.''.

(b) CONFORMING AND TECHNICAL AMENDMENTS.—The table of sections for chapter 47 of title 18, United States Code, is amended by adding at the end the following:

''1041. Concealment of security breaches involving sensitive personally identifiable information.''.

(c) ENFORCEMENT AUTHORITY.—

(1) IN GENERAL.—The United States Secret Service and Federal Bureau of Investigation shall have the authority to investigate offenses under section 1041 of title 18, United States Code, as added by subsection (a).

(2) NONEXCLUSIVITY.—The authority granted in paragraph (1) shall not be exclusive of any existing authority held by any other Federal agency.

SEC. 103. PENALTIES FOR FRAUD AND RELATED ACTIVITY IN CONNECTION WITH COMPUTERS.

Section 1030(c) of title 18, United States Code, is amended to read as follows:

''(c) The punishment for an offense under subsection (a) or (b) of this section is—

''(1) a fine under this title or imprisonment for not more than 20 years, or both, in the case of an offense under subsection (a)(1) of this section;

''(2)(A) except as provided in subparagraph (B), a fine under this title or imprisonment for not more than 3 years, or both, in the case of an offense under subsection (a)(2); or

''(B) a fine under this title or imprisonment for not more than ten years, or both, in the case of an offense under paragraph (a)(2) of this section, if—

''(i) the offense was committed for purposes of commercial advantage or private financial gain;

''(ii) the offense was committed in the furtherance of any criminal or tortious act in violation of the Constitution or laws of the United States, or of any State; or

''(iii) the value of the information obtained, or that would have been obtained if the offense was completed, exceeds $5,000;

''(3) a fine under this title or imprisonment for not more than 1 year, or both, in the case of an offense under subsection (a)(3) of this section;

''(4) a fine under this title or imprisonment of not more than 20 years, or both, in the case of an offense under subsection (a)(4) of this section;

''(5)(A) except as provided in subparagraph (D), a fine under this title, imprisonment for not more than 20 years, or both, in the case of an offense under subsection (a)(5)(A) of this section, if the offense caused—

''(i) loss to 1 or more persons during any 1-year period (and, for purposes of an investigation, prosecution, or other proceeding brought by the United States only, loss resulting from a related course of conduct affecting 1 or more other protected computers) aggregating at least $5,000 in value;

''(ii) the modification or impairment, or potential modification or impairment, of the medical examination, diagnosis, treatment, or care of 1 or more individuals;

''(iii) physical injury to any person;

''(iv) a threat to public health or safety;

''(v) damage affecting a computer used by, or on behalf of, an entity of the United States Government in furtherance of the administration of justice, national defense, or national security; or

''(vi) damage affecting 10 or more protected computers during any 1-year period;

''(B) a fine under this title, imprisonment for not more than 10 years, or both, in the case of an offense under subsection (a)(5)(B), if the offense caused a harm provided in clause (i) through (vi) of subparagraph (A) of this subsection;

''(C) if the offender attempts to cause or knowingly or recklessly causes death from conduct in violation of subsection (a)(5)(A), a fine under this title, imprisonment for any term of years or for life, or both; or

''(D) a fine under this title, imprisonment for not more than 1 year, or both, for any other offense under subsection (a)(5);

''(6) a fine under this title or imprisonment for not more than 10 years, or both, in the case of an offense under subsection (a)(6) of this section; or

''(7) a fine under this title or imprisonment for not more than 10 years, or both, in the case of an offense under subsection (a)(7) of this section.''.

SEC. 104. TRAFFICKING IN PASSWORDS.

Section 1030(a) of title 18, United States Code, is amended by striking paragraph (6) and inserting the following:

''(6) knowingly and with intent to defraud traffics (as defined in section 1029) in—

''(A) any password or similar information through which a protected computer as defined in subparagraphs (A) and (B) of subsection (e)(2) may be accessed without authorization; or

''(B) any means of access through which a protected computer as defined in subsection (e)(2)(A) may be accessed without authorization.''.

SEC. 105. CONSPIRACY AND ATTEMPTED COMPUTER FRAUD OFFENSES.

Section 1030(b) of title 18, United States Code, is amended by inserting ''for the completed offense'' after ''punished as provided''.

SEC. 106. CRIMINAL AND CIVIL FORFEITURE FOR FRAUD AND RELATED ACTIVITY IN CONNECTION WITH COMPUTERS.

Section 1030 of title 18, United States Code, is amended by striking subsections (i) and (j) and inserting the following:

''(i) CRIMINAL FORFEITURE.—

''(1) The court, in imposing sentence on any person convicted of a violation of this section, or convicted of conspiracy to violate this section, shall order, in addition to any other sentence imposed and irrespective of any provision of State law, that such person forfeit to the United States—

''(A) such person's interest in any property, real or personal, that was used, or intended to be used, to commit or facilitate the commission of such violation; and

''(B) any property, real or personal, constituting or derived from any gross proceeds, or any property traceable to such property, that such person obtained, directly or indirectly, as a result of such violation.

''(2) The criminal forfeiture of property under this subsection, including any seizure and disposition of the property, and any related judicial or administrative proceeding, shall be governed by the provisions of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), except subsection (d) of that section.

''(j) CIVIL FORFEITURE.—

''(1) The following shall be subject to forfeiture to the United States and no property right, real or personal, shall exist in them:

''(A) Any property, real or personal, that was used, or intended to be used, to commit or facilitate the commission of any violation of this section, or a conspiracy to violate this section.

''(B) Any property, real or personal, constituting or derived from any gross proceeds obtained directly or indirectly, or any property traceable to such property, as a result of the commission of any violation of this section, or a conspiracy to violate this section.

''(2) Seizures and forfeitures under this subsection shall be governed by the provisions in chapter 46 relating to civil forfeitures, except that such duties as are imposed on the Secretary of the Treasury under the customs laws described in section 981(d) shall be performed by such officers, agents and other persons as may be designated for that purpose by the Secretary of Homeland Security or the Attorney General.''.

SEC. 107. LIMITATION ON CIVIL ACTIONS INVOLVING UNAUTHORIZED USE.

Section 1030(g) of title 18, United States Code, is amended—

(1) by inserting ''(1)'' before ''Any person''; and

(2) by adding at the end the following:

''(2) No action may be brought under this subsection if a violation of a contractual obligation or agreement, such as an acceptable use policy or terms of service agreement, constitutes the sole basis for determining that access to the protected computer is unauthorized, or in excess of authorization.''.

SEC. 108. REPORTING OF CERTAIN CRIMINAL CASES.

Section 1030 of title 18, United States Code, is amended by adding at the end the following:

''(k) REPORTING CERTAIN CRIMINAL CASES.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the Attorney General shall report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives the number of criminal cases brought under subsection (a) that involve conduct in which —

''(1) the defendant—

''(A) exceeded authorized access to a non-governmental computer; or

''(B) accessed a non-governmental computer without authorization; and

''(2) the sole basis for the Government determining that access to the non-governmental computer was unauthorized, or in excess of authorization was that the defendant violated a contractual obligation or agreement with a service provider or employer, such as an acceptable use policy or terms of service agreement.''.

SEC. 109. DAMAGE TO CRITICAL INFRASTRUCTURE COMPUTERS.

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1030 the following:

''§ 1030A. Aggravated damage to a critical infrastructure computer

''(a) DEFINITIONS.—In this section—

''(1) the terms 'computer' and 'damage' have the meanings given such terms in section 1030; and

''(2) the term 'critical infrastructure computer' means a computer that manages or controls systems or assets vital to national defense, national security, national economic security, public health or safety, or any combination of those matters, whether publicly or privately owned or operated, including—

''(A) gas and oil production, storage, and delivery systems;

''(B) water supply systems;

''(C) telecommunication networks;

''(D) electrical power delivery systems;

''(E) finance and banking systems;

''(F) emergency services;

''(G) transportation systems and services; and

''(H) government operations that provide essential services to the public

''(b) OFFENSE.—It shall be unlawful to, during and in relation to a felony violation of section 1030, intentionally cause or attempt

to cause damage to a critical infrastructure computer, and such damage results in (or, in the case of an attempt, would, if completed have resulted in) the substantial impairment—

''(1) of the operation of the critical infrastructure computer; or

''(2) of the critical infrastructure associated with the computer.

''(c) PENALTY.—Any person who violates subsection (b) shall be fined under this title, imprisoned for not less than 3 years nor more than 20 years, or both.

''(d) CONSECUTIVE SENTENCE.—Notwithstanding any other provision of law—

''(1) a court shall not place on probation any person convicted of a violation of this section;

''(2) except as provided in paragraph (4), no term of imprisonment imposed on a person under this section shall run concurrently with any other term of imprisonment, including any term of imprisonment imposed on the person under any other provision of law, including any term of imprisonment imposed for the felony violation section 1030;

''(3) in determining any term of imprisonment to be imposed for a felony violation of section 1030, a court shall not in any way reduce the term to be imposed for such crime so as to compensate for, or otherwise take into account, any separate term of imprisonment imposed or to be imposed for a violation of this section; and

''(4) a term of imprisonment imposed on a person for a violation of this section may, in the discretion of the court, run concurrently, in whole or in part, only with another term of imprisonment that is imposed by the court at the same time on that person for an additional violation of this section, provided that such discretion shall be exercised in accordance with any applicable guidelines and policy statements issued by the United States Sentencing Commission pursuant to section 994 of title 28.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1030 the following:

''1030A. Aggravated damage to a critical infrastructure computer.''.

SEC. 110. LIMITATION ON ACTIONS INVOLVING UNAUTHORIZED USE.

Section 1030(e)(6) of title 18, United States Code, is amended by striking ''alter;'' and inserting ''alter, but does not include access in violation of a contractual obligation or agreement, such as an acceptable use policy or terms of service agreement, with an Internet service provider, Internet website, or non-government employer, if such violation constitutes the sole basis for determining that access to a protected computer is unauthorized;''.

TITLE II—PRIVACY AND SECURITY OF PERSONALLY IDENTIFIABLE INFORMATION

Subtitle A—A Data Privacy and Security Program

SEC. 201. PURPOSE AND APPLICABILITY OF DATA PRIVACY AND SECURITY PROGRAM.

(a) PURPOSE.—The purpose of this subtitle is to ensure standards for developing and implementing administrative, technical, and physical safeguards to protect the security of sensitive personally identifiable information.

(b) APPLICABILITY.—A business entity engaging in interstate commerce that involves collecting, accessing, transmitting, using, storing, or disposing of sensitive personally identifiable information in electronic or digital form on 10,000 or more United States persons is subject to the requirements for a data privacy and security program under section 202 for protecting sensitive personally identifiable information.

(c) LIMITATIONS.—Notwithstanding any other obligation under this subtitle, this subtitle does not apply to the following:

(1) FINANCIAL INSTITUTIONS.—Financial institutions—

(A) subject to the data security requirements and standards under section 501(b) of the Gramm-Leach-Bliley Act (15 U.S.C. 6801(b)); and

(B) subject to the jurisdiction of an agency or authority described in section 505(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6805(a)).

(2) HIPAA REGULATED ENTITIES.—

(A) COVERED ENTITIES.—Covered entities subject to the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1301 et seq.), including the data security requirements and implementing regulations of that Act.

(B) BUSINESS ENTITIES.—A Business entity shall be deemed in compliance with this Act if the business entity—

(i) is acting as a business associate, as that term is defined under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1301 et seq.) and is in compliance with the requirements imposed under that Act and implementing regulations promulgated under that Act; and

(ii) is subject to, and currently in compliance, with the privacy and data security requirements under sections 13401 and 13404 of division A of the American Reinvestment and Recovery Act of 2009 (42 U.S.C. 17931 and 17934) and implementing regulations promulgated under such sections.

(3) SERVICE PROVIDERS.—A service provider for any electronic communication by a third-party, to the extent that the service provider is exclusively engaged in the transmission, routing, or temporary, intermediate, or transient storage of that communication.

(4) PUBLIC RECORDS.—Public records not otherwise subject to a confidentiality or nondisclosure requirement, or information obtained from a public record, including information obtained from a news report or periodical.

(d) SAFE HARBORS.—

(1) IN GENERAL.—A business entity shall be deemed in compliance with the privacy and security program requirements under section 202 if the business entity complies with or provides protection equal to industry standards or standards widely accepted as an effective industry practice, as identified by the Federal Trade Commission, that are applicable to the type of sensitive personally identifiable information involved in the ordinary course of business of such business entity.

(2) LIMITATION.—Nothing in this subsection shall be construed to permit, and nothing does permit, the Federal Trade Commission to issue regulations requiring, or according greater legal status to, the implementation of or application of a specific technology or technological specifications for meeting the requirements of this title.

SEC. 202. REQUIREMENTS FOR A PERSONAL DATA PRIVACY AND SECURITY PROGRAM.

(a) PERSONAL DATA PRIVACY AND SECURITY PROGRAM.—A business entity subject to this subtitle shall comply with the following safeguards and any other administrative, technical, or physical safeguards identified by the Federal Trade Commission in a rulemaking process pursuant to section 553 of title 5, United States Code, for the protection of sensitive personally identifiable information:

(1) SCOPE.—A business entity shall implement a comprehensive personal data privacy and security program that includes administrative, technical, and physical safeguards appropriate to the size and complexity of the business entity and the nature and scope of its activities.

(2) DESIGN.—The personal data privacy and security program shall be designed to—

(A) ensure the privacy, security, and confidentiality of sensitive personally identifying information;

(B) protect against any anticipated vulnerabilities to the privacy, security, or integrity of sensitive personally identifying information; and

(C) protect against unauthorized access to use of sensitive personally identifying information that could create a significant risk of harm or fraud to any individual.

(3) RISK ASSESSMENT.—A business entity shall—

(A) identify reasonably foreseeable internal and external vulnerabilities that could result in unauthorized access, disclosure, use, or alteration of sensitive personally identifiable information or systems containing sensitive personally identifiable information;

(B) assess the likelihood of and potential damage from unauthorized access, disclosure, use, or alteration of sensitive personally identifiable information;

(C) assess the sufficiency of its policies, technologies, and safeguards in place to control and minimize risks from unauthorized access, disclosure, use, or alteration of sensitive personally identifiable information; and

(D) assess the vulnerability of sensitive personally identifiable information during destruction and disposal of such information, including through the disposal or retirement of hardware.

(4) RISK MANAGEMENT AND CONTROL.—Each business entity shall—

(A) design its personal data privacy and security program to control the risks identified under paragraph (3);

(B) adopt measures commensurate with the sensitivity of the data as well as the size, complexity, and scope of the activities of the business entity that—

(i) control access to systems and facilities containing sensitive personally identifiable information, including controls to authenticate and permit access only to authorized individuals;

(ii) detect, record, and preserve information relevant to actual and attempted fraudulent, unlawful, or unauthorized access, disclosure, use, or alteration of sensitive personally identifiable information, including by employees and other individuals otherwise authorized to have access;

(iii) protect sensitive personally identifiable information during use, transmission, storage, and disposal by encryption, redaction, or access controls that are widely accepted as an effective industry practice or industry standard, or other reasonable means (including as directed for disposal of records under section 628 of the Fair Credit Reporting Act (15 U.S.C. 1681w) and the implementing regulations of such Act as set forth in section 682 of title 16, Code of Federal Regulations);

(iv) ensure that sensitive personally identifiable information is properly destroyed and disposed of, including during the destruction of computers, diskettes, and other electronic media that contain sensitive personally identifiable information;

(v) trace access to records containing sensitive personally identifiable information so that the business entity can determine who accessed or acquired such sensitive personally identifiable information pertaining to specific individuals; and

(vi) ensure that no third party or customer of the business entity is authorized to access or acquire sensitive personally identifiable

information without the business entity first performing sufficient due diligence to ascertain, with reasonable certainty, that such information is being sought for a valid legal purpose; and

(C) establish a plan and procedures for minimizing the amount of sensitive personally identifiable information maintained by such business entity, which shall provide for the retention of sensitive personally identifiable information only as reasonably needed for the business purposes of such business entity or as necessary to comply with any legal obligation.

(b) TRAINING.—Each business entity subject to this subtitle shall take steps to ensure employee training and supervision for implementation of the data security program of the business entity.

(c) VULNERABILITY TESTING.—

(1) IN GENERAL.—Each business entity subject to this subtitle shall take steps to ensure regular testing of key controls, systems, and procedures of the personal data privacy and security program to detect, prevent, and respond to attacks or intrusions, or other system failures.

(2) FREQUENCY.—The frequency and nature of the tests required under paragraph (1) shall be determined by the risk assessment of the business entity under subsection (a)(3).

(d) RELATIONSHIP TO CERTAIN PROVIDERS OF SERVICES.—In the event a business entity subject to this subtitle engages a person or entity not subject to this subtitle (other than a service provider) to receive sensitive personally identifiable information in performing services or functions (other than the services or functions provided by a service provider) on behalf of and under the instruction of such business entity, such business entity shall—

(1) exercise appropriate due diligence in selecting the person or entity for responsibilities related to sensitive personally identifiable information, and take reasonable steps to select and retain a person or entity that is capable of maintaining appropriate safeguards for the security, privacy, and integrity of the sensitive personally identifiable information at issue; and

(2) require the person or entity by contract to implement and maintain appropriate measures designed to meet the objectives and requirements governing entities subject to section 201, this section, and subtitle B.

(e) PERIODIC ASSESSMENT AND PERSONAL DATA PRIVACY AND SECURITY MODERNIZATION.—Each business entity subject to this subtitle shall on a regular basis monitor, evaluate, and adjust, as appropriate its data privacy and security program in light of any relevant changes in—

(1) technology;

(2) the sensitivity of personally identifiable information;

(3) internal or external threats to personally identifiable information; and

(4) the changing business arrangements of the business entity, such as—

(A) mergers and acquisitions;

(B) alliances and joint ventures;

(C) outsourcing arrangements;

(D) bankruptcy; and

(E) changes to sensitive personally identifiable information systems.

(f) IMPLEMENTATION TIMELINE.—Not later than 1 year after the date of enactment of this Act, a business entity subject to the provisions of this subtitle shall implement a data privacy and security program pursuant to this subtitle.

SEC. 203. ENFORCEMENT.

(a) CIVIL PENALTIES.—

(1) IN GENERAL.—Any business entity that violates the provisions of sections 201 or 202 shall be subject to civil penalties of not more than $5,000 per violation per day while such a violation exists, with a maximum of $500,000 per violation.

(2) INTENTIONAL OR WILLFUL VIOLATION.—A business entity that intentionally or willfully violates the provisions of sections 201 or 202 shall be subject to additional penalties in the amount of $5,000 per violation per day while such a violation exists, with a maximum of an additional $500,000 per violation.

(3) PENALTY LIMITS.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the total sum of civil penalties assessed against a business entity for all violations of the provisions of this subtitle resulting from the same or related acts or omissions shall not exceed $500,000, unless such conduct is found to be willful or intentional.

(B) DETERMINATIONS.—The determination of whether a violation of a provision of this subtitle has occurred, and if so, the amount of the penalty to be imposed, if any, shall be made by the court sitting as the finder of fact. The determination of whether a violation of a provision of this subtitle was willful or intentional, and if so, the amount of the additional penalty to be imposed, if any, shall be made by the court sitting as the finder of fact.

(C) ADDITIONAL PENALTY LIMIT.—If a court determines under subparagraph (B) that a violation of a provision of this subtitle was willful or intentional and imposes an additional penalty, the court may not impose an additional penalty in an amount that exceeds $500,000.

(4) EQUITABLE RELIEF.—A business entity engaged in interstate commerce that violates this section may be enjoined from further violations by a United States district court.

(5) OTHER RIGHTS AND REMEDIES.—The rights and remedies available under this section are cumulative and shall not affect any other rights and remedies available under law.

(b) FEDERAL TRADE COMMISSION AUTHORITY.—Any business entity shall have the provisions of this subtitle enforced against it by the Federal Trade Commission.

(c) STATE ENFORCEMENT.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State or any State or local law enforcement agency authorized by the State attorney general or by State statute to prosecute violations of consumer protection law, has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the acts or practices of a business entity that violate this subtitle, the State may bring a civil action on behalf of the residents of that State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that act or practice;

(B) enforce compliance with this subtitle; or

(C) obtain civil penalties of not more than $5,000 per violation per day while such violations persist, up to a maximum of $500,000 per violation.

(2) PENALTY LIMITS.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the total sum of civil penalties assessed against a business entity for all violations of the provisions of this subtitle resulting from the same or related acts or omissions shall not exceed $500,000, unless such conduct is found to be willful or intentional.

(B) DETERMINATIONS.—The determination of whether a violation of a provision of this subtitle has occurred, and if so, the amount of the penalty to be imposed, if any, shall be made by the court sitting as the finder of fact. The determination of whether a violation of a provision of this subtitle was willful or intentional, and if so, the amount of the additional penalty to be imposed, if any, shall be made by the court sitting as the finder of fact.

(C) ADDITIONAL PENALTY LIMIT.—If a court determines under subparagraph (B) that a violation of a provision of this subtitle was willful or intentional and imposes an additional penalty, the court may not impose an additional penalty in an amount that exceeds $500,000.

(3) NOTICE.—

(A) IN GENERAL.—Before filing an action under this subsection, the attorney general of the State involved shall provide to the Federal Trade Commission—

(i) a written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general of a State determines that it is not feasible to provide the notice described in this subparagraph before the filing of the action.

(C) NOTIFICATION WHEN PRACTICABLE.—In an action described under subparagraph (B), the attorney general of a State shall provide the written notice and the copy of the complaint to the Federal Trade Commission as soon after the filing of the complaint as practicable.

(4) FEDERAL TRADE COMMISSION AUTHORITY.—Upon receiving notice under paragraph (2), the Federal Trade Commission shall have the right to—

(A) move to stay the action, pending the final disposition of a pending Federal proceeding or action as described in paragraph (4);

(B) intervene in an action brought under paragraph (1); and

(C) file petitions for appeal.

(5) PENDING PROCEEDINGS.—If the Federal Trade Commission initiates a Federal civil action for a violation of this subtitle, or any regulations thereunder, no attorney general of a State may bring an action for a violation of this subtitle that resulted from the same or related acts or omissions against a defendant named in the Federal civil action initiated by the Federal Trade Commission.

(6) RULE OF CONSTRUCTION.—For purposes of bringing any civil action under paragraph (1) nothing in this subtitle shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(A) conduct investigations;

(B) administer oaths and affirmations; or

(C) compel the attendance of witnesses or the production of documentary and other evidence.

(7) VENUE; SERVICE OF PROCESS.—

(A) VENUE.—Any action brought under this subsection may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(B) SERVICE OF PROCESS.—In an action brought under this subsection, process may be served in any district in which the defendant—

(i) is an inhabitant; or

(ii) may be found.

(d) NO PRIVATE CAUSE OF ACTION.—Nothing in this subtitle establishes a private cause of action against a business entity for violation of any provision of this subtitle.

SEC. 204. RELATION TO OTHER LAWS.

(a) IN GENERAL.—No State may require any business entity subject to this subtitle to comply with any requirements with respect to administrative, technical, and physical safeguards for the protection of personal information.

(b) LIMITATIONS.—Nothing in this subtitle shall be construed to modify, limit, or supersede the operation of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) or its implementing regulations, including those adopted or enforced by States.

Subtitle B—Security Breach Notification

SEC. 211. NOTICE TO INDIVIDUALS.

(a) IN GENERAL.—Except as provided in section 212, any agency, or business entity engaged in interstate commerce, other than a service provider, that uses, accesses, transmits, stores, disposes of or collects sensitive personally identifiable information shall, following the discovery of a security breach of such information, notify any resident of the United States whose sensitive personally identifiable information has been, or is reasonably believed to have been, accessed, or acquired.

(b) OBLIGATION OF OWNER OR LICENSEE.—

(1) NOTICE TO OWNER OR LICENSEE.—Any agency, or business entity engaged in interstate commerce, that uses, accesses, transmits, stores, disposes of, or collects sensitive personally identifiable information that the agency or business entity does not own or license shall notify the owner or licensee of the information following the discovery of a security breach involving such information.

(2) NOTICE BY OWNER, LICENSEE, OR OTHER DESIGNATED THIRD PARTY.—Nothing in this subtitle shall prevent or abrogate an agreement between an agency or business entity required to give notice under this section and a designated third party, including an owner or licensee of the sensitive personally identifiable information subject to the security breach, to provide the notifications required under subsection (a).

(3) BUSINESS ENTITY RELIEVED FROM GIVING NOTICE.—A business entity obligated to give notice under subsection (a) shall be relieved of such obligation if an owner or licensee of the sensitive personally identifiable information subject to the security breach, or other designated third party, provides such notification.

(4) SERVICE PROVIDERS.—If a service provider becomes aware of a security breach of data in electronic form containing sensitive personal information that is owned or possessed by another business entity that connects to or uses a system or network provided by the service provider for the purpose of transmitting, routing, or providing intermediate or transient storage of such data, the service provider shall be required to notify the business entity who initiated such connection, transmission, routing, or storage of the security breach if the business entity can be reasonably identified. Upon receiving such notification from a service provider, the business entity shall be required to provide the notification required under subsection (a).

(c) TIMELINESS OF NOTIFICATION.—

(1) IN GENERAL.—All notifications required under this section shall be made without unreasonable delay following the discovery by the agency or business entity of a security breach.

(2) REASONABLE DELAY.—

(A) IN GENERAL.—Reasonable delay under this subsection may include any time necessary to determine the scope of the security breach, prevent further disclosures, conduct the risk assessment described in section 202(a)(3), and restore the reasonable integrity of the data system and provide notice to law enforcement when required.

(B) EXTENSION.—

(i) IN GENERAL.—Except as provided in subsection (d), delay of notification shall not exceed 60 days following the discovery of the security breach, unless the business entity or agency requests an extension of time and the Federal Trade Commission determines in writing that additional time is reasonably necessary to determine the scope of the security breach, prevent further disclosures, conduct the risk assessment, restore the reasonable integrity of the data system, or to provide notice to the designated entity.

(ii) APPROVAL OF REQUEST.—If the Federal Trade Commission approves the request for delay, the agency or business entity may delay the time period for notification for additional periods of up to 30 days.

(3) BURDEN OF PRODUCTION.—The agency, business entity, owner, or licensee required to provide notice under this subtitle shall, upon the request of the Attorney General or the Federal Trade Commission provide records or other evidence of the notifications required under this subtitle, including to the extent applicable, the reasons for any delay of notification.

(d) DELAY OF NOTIFICATION AUTHORIZED FOR LAW ENFORCEMENT OR NATIONAL SECURITY PURPOSES.—

(1) IN GENERAL.—If the United States Secret Service or the Federal Bureau of Investigation determines that the notification required under this section would impede a criminal investigation, or national security activity, such notification shall be delayed upon written notice from the United States Secret Service or the Federal Bureau of Investigation to the agency or business entity that experienced the breach. The notification from the United States Secret Service or the Federal Bureau of Investigation shall specify in writing the period of delay requested for law enforcement or national security purposes.

(2) EXTENDED DELAY OF NOTIFICATION.—If the notification required under subsection (a) is delayed pursuant to paragraph (1), an agency or business entity shall give notice 30 days after the day such law enforcement or national security delay was invoked unless a Federal law enforcement or intelligence agency provides written notification that further delay is necessary.

(3) LAW ENFORCEMENT IMMUNITY.—No nonconstitutional cause of action shall lie in any court against any agency for acts relating to the delay of notification for law enforcement or national security purposes under this subtitle.

(e) LIMITATIONS.—Notwithstanding any other obligation under this subtitle, this subtitle does not apply to the following:

(1) FINANCIAL INSTITUTIONS.—Financial institutions—

(A) subject to the data security requirements and standards under section 501(b) of the Gramm-Leach-Bliley Act (15 U.S.C. 6801(b)); and

(B) subject to the jurisdiction of an agency or authority described in section 505(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6805(a)).

(2) HIPAA REGULATED ENTITIES.—

(A) COVERED ENTITIES.—Covered entities subject to the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1301 et seq.), including the data security requirements and implementing regulations of that Act.

(B) BUSINESS ENTITIES.—A Business entity shall be deemed in compliance with this Act if the business entity—

(i)(I) is acting as a covered entity and as a business associate, as those terms are defined under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1301 et seq.) and is in compliance with the requirements imposed under that Act and implementing regulations promulgated under that Act; and

(II) is subject to, and currently in compliance, with the data breach notification, privacy and data security requirements under the Health Information Technology for Economic and Clinical Health (HITECH) Act, (42 U.S.C. 17932) and implementing regulations promulgated thereunder; or

(ii) is acting as a vendor of personal health records and third party service provider, subject to the Health Information Technology for Economic and Clinical Health (HITECH) Act (42 U.S.C. 17937), including the data breach notification requirements and implementing regulations of that Act.

SEC. 212. EXEMPTIONS.

(a) EXEMPTION FOR NATIONAL SECURITY AND LAW ENFORCEMENT.—

(1) IN GENERAL.—Section 211 shall not apply to an agency or business entity if—

(A) the United States Secret Service or the Federal Bureau of Investigation determines that notification of the security breach could be expected to reveal sensitive sources and methods or similarly impede the ability of the Government to conduct law enforcement investigations; or

(B) the Federal Bureau of Investigation determines that notification of the security breach could be expected to cause damage to the national security.

(2) IMMUNITY.—No non-constitutional cause of action shall lie in any court against any Federal agency for acts relating to the exemption from notification for law enforcement or national security purposes under this title.

(b) SAFE HARBOR.—

(1) IN GENERAL.—An agency or business entity shall be exempt from the notice requirements under section 211, if—

(A) a risk assessment conducted by the agency or business entity concludes that, based upon the information available, there is no significant risk that a security breach has resulted in, or will result in, identity theft, economic loss or harm, or physical harm to the individuals whose sensitive personally identifiable information was subject to the security breach;

(B) without unreasonable delay, but not later than 45 days after the discovery of a security breach, unless extended by the Federal Trade Commission, the agency or business entity notifies the Federal Trade Commission, in writing, of—

(i) the results of the risk assessment; and

(ii) its decision to invoke the risk assessment exemption; and

(C) the Federal Trade Commission does not indicate, in writing, within 10 business days from receipt of the decision, that notice should be given.

(2) REBUTTABLE PRESUMPTIONS.—For purposes of paragraph (1)—

(A) the encryption of sensitive personally identifiable information described in paragraph (1)(A)(i) shall establish a rebuttable presumption that no significant risk exists; and

(B) the rendering of sensitive personally identifiable information described in paragraph (1)(A)(ii) unusable, unreadable, or indecipherable through data security technology or methodology that is generally accepted by experts in the field of information security, such as redaction or access controls shall establish a rebuttable presumption that no significant risk exists.

(3) VIOLATION.—It shall be a violation of this section to—

(A) fail to conduct the risk assessment in a reasonable manner, or according to standards generally accepted by experts in the field of information security; or

(B) submit the results of a risk assessment that contains fraudulent or deliberately misleading information.

(c) FINANCIAL FRAUD PREVENTION EXEMPTION.—

(1) IN GENERAL.—A business entity will be exempt from the notice requirement under

section 211 if the business entity utilizes or participates in a security program that—

(A) effectively blocks the use of the sensitive personally identifiable information to initiate unauthorized financial transactions before they are charged to the account of the individual; and

(B) provides for notice to affected individuals after a security breach that has resulted in fraud or unauthorized transactions.

(2) LIMITATION.—The exemption in paragraph (1) does not apply if the information subject to the security breach includes an individual's first and last name, or any other type of sensitive personally identifiable information as defined in section 3, unless that information is only a credit card number or credit card security code.

SEC. 213. METHODS OF NOTICE.

An agency or business entity shall be in compliance with section 211 if it provides the following:

(1) INDIVIDUAL NOTICE.—Notice to individuals by 1 of the following means:

(A) Written notification to the last known home mailing address of the individual in the records of the agency or business entity.

(B) Telephone notice to the individual personally.

(C) E-mail notice, if the individual has consented to receive such notice and the notice is consistent with the provisions permitting electronic transmission of notices under section 101 of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001).

(2) MEDIA NOTICE.—Notice to major media outlets serving a State or jurisdiction, if the number of residents of such State whose sensitive personally identifiable information was, or is reasonably believed to have been, accessed or acquired by an unauthorized person exceeds 5,000.

SEC. 214. CONTENT OF NOTIFICATION.

(a) IN GENERAL.—Regardless of the method by which notice is provided to individuals under section 213, such notice shall include, to the extent possible—

(1) a description of the categories of sensitive personally identifiable information that was, or is reasonably believed to have been, accessed or acquired by an unauthorized person;

(2) a toll-free number—

(A) that the individual may use to contact the agency or business entity, or the agent of the agency or business entity; and

(B) from which the individual may learn what types of sensitive personally identifiable information the agency or business entity maintained about that individual; and

(3) the toll-free contact telephone numbers and addresses for the major credit reporting agencies.

(b) ADDITIONAL CONTENT.—Notwithstanding section 219, a State may require that a notice under subsection (a) shall also include information regarding victim protection assistance provided for by that State.

(c) DIRECT BUSINESS RELATIONSHIP.—Regardless of whether a business entity, agency, or a designated third party provides the notice required pursuant to section 211(b), such notice shall include the name of the business entity or agency that has a direct relationship with the individual being notified.

SEC. 215. COORDINATION OF NOTIFICATION WITH CREDIT REPORTING AGENCIES.

If an agency or business entity is required to provide notification to more than 5,000 individuals under section 211(a), the agency or business entity shall also notify all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis (as defined in section 603(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a(p)) of the timing and distribution of the notices. Such notice shall be given to the consumer credit reporting agencies without unreasonable delay and, if it will not delay notice to the affected individuals, prior to the distribution of notices to the affected individuals.

SEC. 216. NOTICE TO LAW ENFORCEMENT.

(a) DESIGNATION OF GOVERNMENT ENTITY TO RECEIVE NOTICE.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of Homeland Security shall designate a Federal Government entity to receive the notices required under section 212 and this section, and any other reports and information about information security incidents, threats, and vulnerabilities.

(2) RESPONSIBILITIES OF THE DESIGNATED ENTITY.—The designated entity shall—

(A) be responsible for promptly providing the information that it receives to the United States Secret Service and the Federal Bureau of Investigation, and to the Federal Trade Commission for civil law enforcement purposes; and

(B) provide the information described in subparagraph (A) as appropriate to other Federal agencies for law enforcement, national security, or data security purposes.

(b) NOTICE.—Any business entity or agency shall notify the designated entity of the fact that a security breach has occurred if—

(1) the number of individuals whose sensitive personally identifying information was, or is reasonably believed to have been accessed or acquired by an unauthorized person exceeds 5,000;

(2) the security breach involves a database, networked or integrated databases, or other data system containing the sensitive personally identifiable information of more than 500,000 individuals nationwide;

(3) the security breach involves databases owned by the Federal Government; or

(4) the security breach involves primarily sensitive personally identifiable information of individuals known to the agency or business entity to be employees and contractors of the Federal Government involved in national security or law enforcement.

(c) FTC RULEMAKING AND REVIEW OF THRESHOLDS.—

(1) REPORTS.—Not later 1 year after the date of the enactment of this Act, the Federal Trade Commission, in consultation with the Attorney General of the United States and the Secretary of Homeland Security, shall promulgate regulations under section 553 of title 5, United States Code, regarding the reports required under subsection (a).

(2) THRESHOLDS FOR NOTICE.—The Federal Trade Commission, in consultation with the Attorney General and the Secretary of Homeland Security, after notice and the opportunity for public comment, and in a manner consistent with this section, shall promulgate regulations, as necessary, under section 553 of title 5, United States Code, to adjust the thresholds for notice to law enforcement and national security authorities under subsection (a) and to facilitate the purposes of this section.

(d) TIMING.—The notice required under subsection (a) shall be provided as promptly as possible, but such notice must be provided either 72 hours before notice is provided to an individual pursuant to section 211, or not later than 10 days after the business entity or agency discovers the security breach or discovers that the nature of the security breach requires notice to law enforcement under this section, whichever occurs first.

SEC. 217. ENFORCEMENT.

(a) IN GENERAL.—The Attorney General and the Federal Trade Commission may enforce civil violations of section 211.

(b) CIVIL ACTIONS BY THE ATTORNEY GENERAL OF THE UNITED STATES.—

(1) IN GENERAL.—The Attorney General may bring a civil action in the appropriate United States district court against any business entity that engages in conduct constituting a violation of this subtitle and, upon proof of such conduct by a preponderance of the evidence, such business entity shall be subject to a civil penalty of not more than $11,000 per day per security breach.

(2) PENALTY LIMITATION.—Notwithstanding any other provision of law, the total amount of the civil penalty assessed against a business entity for conduct involving the same or related acts or omissions that results in a violation of this subtitle may not exceed $1,000,000.

(3) DETERMINATIONS.—The determination of whether a violation of a provision of this subtitle has occurred, and if so, the amount of the penalty to be imposed, if any, shall be made by the court sitting as the finder of fact. The determination of whether a violation of a provision of this subtitle was willful or intentional, and if so, the amount of the additional penalty to be imposed, if any, shall be made by the court sitting as the finder of fact.

(4) ADDITIONAL PENALTY LIMIT.—If a court determines under paragraph (3) that a violation of a provision of this subtitle was willful or intentional and imposes an additional penalty, the court may not impose an additional penalty in an amount that exceeds $1,000,000.

(c) INJUNCTIVE ACTIONS BY THE ATTORNEY GENERAL.—

(1) IN GENERAL.—If it appears that a business entity has engaged, or is engaged, in any act or practice constituting a violation of this subtitle, the Attorney General may petition an appropriate district court of the United States for an order—

(A) enjoining such act or practice; or

(B) enforcing compliance with this subtitle.

(2) ISSUANCE OF ORDER.—A court may issue an order under paragraph (1), if the court finds that the conduct in question constitutes a violation of this subtitle.

(d) CIVIL ACTIONS BY THE FEDERAL TRADE COMMISSION.—

(1) IN GENERAL.—Compliance with the requirements imposed under this subtitle may be enforced under the Federal Trade Commission Act (15 U.S.C. 41 et seq.) by the Federal Trade Commission with respect to business entities subject to this Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with the requirements imposed under this title.

(2) PENALTY LIMITATION.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the total sum of civil penalties assessed against a business entity for all violations of the provisions of this subtitle resulting from the same or related acts or omissions may not exceed $1,000,000, unless such conduct is found to be willful or intentional.

(B) DETERMINATIONS.—The determination of whether a violation of a provision of this subtitle has occurred, and if so, the amount of the penalty to be imposed, if any, shall be made by the court sitting as the finder of fact. The determination of whether a violation of a provision of this subtitle was willful or intentional, and if so, the amount of the additional penalty to be imposed, if any, shall be made by the court sitting as the finder of fact.

(C) ADDITIONAL PENALTY LIMIT.—If a court determines under subparagraph (B) that a violation of a provision of this subtitle was

willful or intentional and imposes an additional penalty, the court may not impose an additional penalty in an amount that exceeds $1,000,000.

(3) UNFAIR OR DECEPTIVE ACTS OR PRACTICES.—For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement or prohibition imposed under this title shall constitute an unfair or deceptive act or practice in commerce in violation of a regulation under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(I)(B)) regarding unfair or deceptive acts or practices and shall be subject to enforcement by the Federal Trade Commission under that Act with respect to any business entity, irrespective of whether that business entity is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act.

(e) COORDINATION OF ENFORCEMENT.—

(1) IN GENERAL.—Before opening an investigation, the Federal Trade Commission shall consult with the Attorney General.

(2) LIMITATION.—The Federal Trade Commission may initiate investigations under this subsection unless the Attorney General determines that such an investigation would impede an ongoing criminal investigation or national security activity.

(3) COORDINATION AGREEMENT.—

(A) IN GENERAL.—In order to avoid conflicts and promote consistency regarding the enforcement and litigation of matters under this Act, not later than 180 days after the enactment of this Act, the Attorney General and the Federal Trade Commission shall enter into an agreement for coordination regarding the enforcement of this Act.

(B) REQUIREMENT.—The coordination agreement entered into under subparagraph (A) shall include provisions to ensure that parallel investigations and proceedings under this section are conducted in a matter that avoids conflicts and does not impede the ability of the Attorney General to prosecute violations of Federal criminal laws.

(4) COORDINATION WITH THE FCC.—If an enforcement action under this Act relates to customer proprietary network information, the Federal Trade Commission shall coordinate the enforcement action with the Federal Communications Commission.

(f) RULEMAKING.—The Federal Trade Commission may, in consultation with the Attorney General, issue such other regulations as it determines to be necessary to carry out this subtitle. All regulations promulgated under this Act shall be issued in accordance with section 553 of title 5, United States Code. Where regulations relate to customer proprietary network information, the promulgation of such regulations will be coordinated with the Federal Communications Commission.

(g) OTHER RIGHTS AND REMEDIES.—The rights and remedies available under this subtitle are cumulative and shall not affect any other rights and remedies available under law.

(h) FRAUD ALERT.—Section 605A(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(b)(1)) is amended by inserting ‘‘, or evidence that the consumer has received notice that the consumer’s financial information has or may have been compromised,’’ after ‘‘identity theft report’’.

SEC. 218. ENFORCEMENT BY STATE ATTORNEYS GENERAL.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State or any State or local law enforcement agency authorized by the State attorney general or by State statute to prosecute violations of consumer protection law, has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of a business entity in a practice that is prohibited under this subtitle, the State or the State or local law enforcement agency on behalf of the residents of the agency’s jurisdiction, may bring a civil action on behalf of the residents of the State or jurisdiction in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with this subtitle; or

(C) civil penalties of not more than $11,000 per day per security breach up to a maximum of $1,000,000 per violation, unless such conduct is found to be willful or intentional.

(2) PENALTY LIMITATION.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the total sum of civil penalties assessed against a business entity for all violations of the provisions of this subtitle resulting from the same or related acts or omissions may not exceed $1,000,000, unless such conduct is found to be willful or intentional.

(B) DETERMINATIONS.—The determination of whether a violation of a provision of this subtitle has occurred, and if so, the amount of the penalty to be imposed, if any, shall be made by the court sitting as the finder of fact. The determination of whether a violation of a provision of this subtitle was willful or intentional, and if so, the amount of the additional penalty to be imposed, if any, shall be made by the court sitting as the finder of fact.

(C) ADDITIONAL PENALTY LIMIT.—If a court determines under subparagraph (B) that a violation of a provision of this subtitle was willful or intentional and imposes an additional penalty, the court may not impose an additional penalty in an amount that exceeds $1,000,000.

(3) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Attorney General of the United States—

(i) written notice of the action; and

(ii) a copy of the complaint for the action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subtitle, if the State attorney general determines that it is not feasible to provide the notice described in such subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Attorney General at the time the State attorney general files the action.

(b) FEDERAL PROCEEDINGS.—Upon receiving notice under subsection (a)(2), the Attorney General shall have the right to—

(1) move to stay the action, pending the final disposition of a pending Federal proceeding or action;

(2) initiate an action in the appropriate United States district court under section 217 and move to consolidate all pending actions, including State actions, in such court;

(3) intervene in an action brought under subsection (a)(2); and

(4) file petitions for appeal.

(c) PENDING PROCEEDINGS.—If the Attorney General or the Federal Trade Commission initiate a criminal proceeding or civil action for a violation of a provision of this subtitle, or any regulations thereunder, no attorney general of a State may bring an action for a violation of a provision of this subtitle against a defendant named in the Federal criminal proceeding or civil action.

(d) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this subtitle regarding notification shall be construed to prevent an attorney general of a State from exercising the powers conferred on such attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in—

(A) the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code; or

(B) another court of competent jurisdiction.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

(f) NO PRIVATE CAUSE OF ACTION.—Nothing in this subtitle establishes a private cause of action against a business entity for violation of any provision of this subtitle.

SEC. 219. EFFECT ON FEDERAL AND STATE LAW.

For any entity, or agency that is subject to this subtitle, the provisions of this subtitle shall supersede any other provision of Federal law, or any provisions of the law of any State, relating to notification of a security breach, except as provided in section 214(b). Nothing in this subtitle shall be construed to modify, limit, or supersede the operation of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) or its implementing regulations, including those regulations adopted or enforced by States, the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1301 et seq.) or its implementing regulations, or the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. 17937) or its implementing regulations.

SEC. 220. REPORTING ON EXEMPTIONS.

(a) FTC REPORT.—Not later than 18 months after the date of enactment of this Act, and upon request by Congress thereafter, the Federal Trade Commission shall submit a report to Congress on the number and nature of the security breaches described in the notices filed by those business entities invoking the risk assessment exemption under section 212(b) and their response to such notices.

(b) LAW ENFORCEMENT REPORT.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, and upon the request by Congress thereafter, the United States Secret Service and Federal Bureau of Investigation shall submit a report to Congress on the number and nature of security breaches subject to the national security and law enforcement exemptions under section 212(a).

(2) REQUIREMENT.—The report required under paragraph (1) shall not include the contents of any risk assessment provided to the United States Secret Service and the Federal Bureau of Investigation under this subtitle.

SEC. 221. EFFECTIVE DATE.

This subtitle shall take effect on the expiration of the date which is 90 days after the date of enactment of this Act.

TITLE III—COMPLIANCE WITH STATUTORY PAY-AS-YOU-GO ACT

SEC. 301. BUDGET COMPLIANCE.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement

titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2613. Mr. PORTMAN (for himself and Mr. JOHANNS) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table.

SA 2614. Mr. PAUL (for himself and Mr. MCCONNELL) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2615. Mr. INHOFE (for himself, Mr. MCCONNELL, Mr. VITTER, Mr. BLUNT, and Mr. CORNYN) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2616. Mr. PORTMAN (for himself and Mr. TOOMEY) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2617. Mr. COATS submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2618. Mrs. SHAHEEN (for herself, Mr. SCHATZ, Ms. HIRONO, Mr. BLUMENTHAL, Mr. WARNER, Mr. UDALL of New Mexico, Mr. COONS, Mr. BEGICH, Ms. LANDRIEU, Ms. BALDWIN, Mr. KAINE, Mr. FRANKEN, and Mr. MERKLEY) submitted an amendment intended to be proposed by her to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2619. Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2620. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2621. Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2622. Mr. THUNE (for himself, Mr. CHAMBLISS, and Mrs. FISCHER) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2623. Mr. MCCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2624. Mr. MCCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2625. Mr. MCCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2626. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2613. Mr. PORTMAN (for himself and Mr. JOHANNS) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after December 2014.

SA 2614. Mr. PAUL (for himself and Mr. MCCONNELL) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

DIVISION B—ECONOMIC FREEDOM ZONES

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This division may be cited as the ''Economic Freedom Zones Act of 2013''.

(b) TABLE OF CONTENTS.—The table of contents for this division is as follows:

SEC. 2. DEFINITIONS.

In this division:

(1) CITY.—The term ''city'' means any unit of general local government that is classified as a municipality by the United States Census Bureau, or is a town or township as determined jointly by the Director of the Office of Management and Budget and the Secretary of the Treasury.

(2) COUNTY.—The term ''County'' means any unit of local general government that is classified as a county by the United States Census Bureau.

(3) ELIGIBLE ENTITY.—The term ''eligible entity'' means a State, municipality, zip code, or rural area.

(4) MUNICIPALITY.—The term ''municipality'' has the meaning given that term in section 101(40) of title 11, United States Code.

(5) RURAL AREA.—The term ''rural area'' means any area not in an urbanized area, as that term is defined by the Census Bureau.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(7) ZIP CODE.—The term ''zip code'' means any area or region associated with or covered by a United States Postal zip code of not less than 5 digits.

TITLE I—PROHIBITION AGAINST A FEDERAL GOVERNMENT BAILOUT OF A STATE, CITY, OR MUNICIPALITY

SEC. 101. PROHIBITION OF FEDERAL GOVERNMENT BAILOUTS.

(a) DEFINITIONS.—In this section—

(1) the term ''credit rating'' has the meaning given that term in section 3(a)(60) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(60));

(2) the term ''credit rating agency'' has the meaning given that term in section 3(a)(61) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(61));

(3) the term ''Federal assistance'' means the use of any advances from the Federal Reserve credit facility or discount window that is not part of a program or facility with broad-based eligibility under section 13(3)(A) of the Federal Reserve Act (12 U.S.C. 343(3)(A)), Federal Deposit Insurance Corporation insurance, or guarantees for the purpose of—

(A) making a loan to, or purchasing any interest or debt obligation of, a municipality;

(B) purchasing the assets of a municipality;

(C) guaranteeing a loan or debt issuance of a municipality; or

(D) entering into an assistance arrangement, including a grant program, with an eligible entity;

(4) the term ''insolvent'' means, with respect to an eligible entity, a financial condition such that the eligible entity—

(A) has any debt that has been given a credit rating lower than a ''B'' by a nationally recognized statistical rating organization or a credit rating agency;

(B) is not paying its debts as they become due, unless such debts are the subject of a bona fide dispute; or

(C) is unable to pay its debts as they become due; and

(5) the term ''nationally recognized statistical rating organization'' has the meaning given that term in section 3(a)(62) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(62)).

(b) PROHIBITION OF FEDERAL GOVERNMENT BAILOUTS.—

(1) PROHIBITION OF FEDERAL ASSISTANCE.—Notwithstanding any other provision of law, no Federal assistance may be provided to an eligible entity (other than the assistance provided for in this division for an area that is designated as an Economic Free Zone).

(2) PROHIBITION OF FINANCIAL ASSISTANCE TO BANKRUPT OR INSOLVENT ELIGIBLE ENTITIES.—Except as provided in paragraph (1), the Federal Government may not provide financial assistance—

(A) to a municipality that is a debtor under chapter 9 of title 11, United States Code; or

(B) to State or municipality that is insolvent.

TITLE II—DESIGNATION OF ECONOMIC FREEDOM ZONES (EFZ)

SEC. 201. ELIGIBILITY REQUIREMENTS FOR ECONOMIC FREEDOM ZONE STATUS.

(a) IN GENERAL.—In order to be eligible for designation as an Economic Freedom Zone by the Secretary, an eligible entity shall meet one or more of the following requirements (in order of priority) and the requirements of section 202:

(1) ELIGIBLE CHAPTER 9 DEBTOR.—An eligible entity that satisfies the requirements under section 109(c) of title 11, United States Code.

(2) ELIGIBLE ENTITY AT RISK OF INSOLVENCY.—

(A) IN GENERAL.—An eligible entity that is at risk of insolvency, as described in subparagraph (B).

(B) REQUIREMENTS.—An eligible entity is at risk of insolvency if—

(i) an independent actuarial firm that has been engaged by the eligible entity and that does not have a conflict of interest with the eligible entity, including any previous relationship with the eligible entity, as determined by the Secretary—

(I) determines that the eligible entity is insolvent (as defined in section 101(a)(4)); and

(II) submits its analysis regarding the insolvency of the eligible entity to the Secretary; and

(ii) the Secretary has reviewed and approved the determination of insolvency by the actuarial firm.

(3) LOW ECONOMIC AND HIGH POVERTY ZONES.—

(A) IN GENERAL.—An eligible entity that is designated as a low economic or high poverty zone under subparagraph (B).

(B) DESIGNATION.—The Secretary, after reviewing supporting data as deemed appropriate, shall designate an eligible entity as a low economic or high poverty area if—

(i) the State or local government with jurisdiction over the entity certifies that—

(I) the entity is one of pervasive poverty, unemployment, and general distress;

(II) the average rate of unemployment within such entity during the most recent 3-month period for which data is available is at least 1.5 times the national unemployment rate for the period involved;

(III) during the most recent 3-month period, at least 30 percent of the area residents have incomes below the national poverty level; or

(IV) at least 70 percent of the are residents have incomes below 80 percent of the median income of households within the jurisdiction of the local government (as determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974); and

(ii) the Secretary determines that such a designation is appropriate.

(4) SPECIAL HIGH POVERTY REQUIREMENT FOR DESIGNATION.—An eligible entity shall be designated as a low economic or high poverty zone if the Secretary determines that—

(A) the State in which the entity is located within one of the 10 most impoverished States, as determined using United States Census Bureau data;

(B) the entity is one of pervasive poverty, unemployment, and general distress;

(C) the average rate of unemployment within such entity during the most recent 3-month period for which data is available is at least 1.25 times the national unemployment rate for the period involved;

(D) during the most recent 3-month period, at least 25 percent of the area residents have income below the national poverty level; or

(E) at least 65 percent of the residents have incomes below 80 percent of the median income of households within the jurisdiction of the local government (as determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

(b) REFUSAL TO GRANT STATUS.—The Secretary may refuse to designate an eligible entity as an Economic Freedom Zone if the Secretary determines that any requirement under this division, including any requirement under subsection (a)(2)(B), has not been satisfied.

SEC. 202. AREA AND REGIONAL REQUIREMENTS.

(a) IN GENERAL.—To be designated as an Economic Freedom Zone by the Secretary, an eligible entity shall—

(1) meet one or more of the requirements under section 201; and

(2) be an entity described in subsection (b).

(b) ENTITY DESCRIBED.—An entity is described in this subsection if such entity—

(1) is a metropolitan statistical area (as defined by the Director of the Office of Management and Budget) that—

(A) is located within the jurisdiction of a local government; and

(B) has a continuous boundary;

(2) is a non-metropolitan statistical area (as defined by the Director of the Office of Management and Budget) if (based on the following order of priority) such area—

(A) is an official county geographical area in any State that meets any of the eligibility requirements of section 201;

(B) is an official city geographical area in any State that meets any of the eligibility requirements of section 201; or

(C) is an official zip code geographical area in any State that meets any of the eligibility requirements of section 201; or

(3) is a zip code area that—

(A) is within a metropolitan statistical area; and

(B) meets other eligibility criteria as determined by the Secretary after consultation with the United States Census Bureau, the Bureau of Labor Statistics, and the Office of Management and Budget.

SEC. 203. APPLICATION AND DURATION OF DESIGNATION.

(a) APPLICATION.—The Secretary shall develop procedures to enable an eligible entity to submit to the Secretary an application for designation as an Economic Freedom Zone under this title.

(b) DURATION.—The designation by the Secretary of an eligible entity as a Economic Freedom Zone shall be for a period of 10 years.

TITLE III—FEDERAL TAX INCENTIVES

SEC. 301. TAX INCENTIVES RELATED TO ECONOMIC FREEDOM ZONES.

(a) IN GENERAL.—Chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subchapter:

''Subchapter Z—Economic Freedom Zones

''PART I—TAX INCENTIVES

''PART II—DEFINITIONS

''PART I—TAX INCENTIVES

''SEC. 1400V–1. ECONOMIC FREEDOM ZONE INDIVIDUAL FLAT TAX.

''(a) IN GENERAL.—In the case of any individual whose principal residence (within the meaning of section 121) is located in an Economic Freedom Zone for the taxable year, in lieu of the tax imposed by section 1, there shall be imposed a tax equal to 5 percent of the taxable income of such taxpayer. For purposes of this title, the tax imposed by the preceding sentence shall be treated as a tax imposed by section 1.

''(b) JOINT RETURNS.—In the case of a joint return under section 6013, subsection (a) shall apply so long as either spouse has a principal residence (within the meaning of section 121) in an Economic Freedom Zone for the taxable year.

''(c) ALTERNATIVE MINIMUM TAX NOT TO APPLY.—The tax imposed by section 55 shall not apply to any taxpayer to whom subsection (a) applies.

''SEC. 1400V–2. ECONOMIC FREEDOM ZONE CORPORATE FLAT TAX.

''(a) IN GENERAL.—In the case of any corporation located in an Economic Freedom Zone for the taxable year, in lieu of the tax imposed by section 11, there shall be imposed a tax equal to 5 percent of the taxable income of such corporation. For purposes of this title, the tax imposed by the preceding sentence shall be treated as a tax imposed by section 11.

''(b) LIMITATION.—Subsection (a) shall not apply to any corporation for any taxable year if the adjusted gross income of such corporation for such taxable year exceeds $500,000,000.

''(c) LOCATED.—For purposes of this section, a corporation shall be considered to be located in an Economic Freedom Zone if—

''(1) not less than 10 percent of the total gross income of such corporation is derived from the active conduct of a trade or business within an Economic Freedom Zone, or

''(2) at least 25 percent of the employees of such corporation are residents of an Economic Freedom Zone.

''(d) ALTERNATIVE MINIMUM TAX NOT TO APPLY.—The tax imposed by section 55 shall not apply to any taxpayer to whom subsection (a) applies.

''SEC. 1400V–3. ZERO PERCENT CAPITAL GAINS RATE.

''(a) EXCLUSION.—Gross income shall not include qualified capital gain from the sale or exchange of—

''(1) any Economic Freedom Zone asset held for more than 5 years,

''(2) any real property located in an Economic Freedom Zone.

''(b) ECONOMIC FREEDOM ZONE ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'Economic Freedom Zone asset' means—

''(A) any Economic Freedom Zone business stock,

''(B) any Economic Freedom Zone partnership interest, and

''(C) any Economic Freedom Zone business property.

''(2) ECONOMIC FREEDOM ZONE BUSINESS STOCK.—

''(A) IN GENERAL.—The term 'Economic Freedom Zone business stock' means any stock in a domestic corporation if—

''(i) such stock is acquired by the taxpayer, before the date on which such corporation no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones, at its original issue (directly or through an underwriter) solely in exchange for cash,

''(ii) as of the time such stock was issued, such corporation was an Economic Freedom Zone business (or, in the case of a new corporation, such corporation was being organized for purposes of being an Economic Freedom Zone business), and

''(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as an Economic Freedom Zone business.

''(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

''(3) ECONOMIC FREEDOM ZONE PARTNERSHIP INTEREST.—The term 'Economic Freedom Zone partnership interest' means any capital or profits interest in a domestic partnership if—

''(A) such interest is acquired by the taxpayer, before the date on which such partnership no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones, from the partnership solely in exchange for cash,

''(B) as of the time such interest was acquired, such partnership was an Economic Freedom Zone business (or, in the case of a new partnership, such partnership was being organized for purposes of being an Economic Freedom Zone business), and

''(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as an Economic Freedom Zone business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

''(4) ECONOMIC FREEDOM ZONE BUSINESS PROPERTY.—

''(A) IN GENERAL.—The term 'Economic Freedom Zone business property' means tangible property if—

''(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after the date on such taxpayer qualifies as an Economic Freedom Zone business and before the date on which such taxpayer no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones,

''(ii) the original use of such property in the Economic Freedom Zone commences with the taxpayer, and

''(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in an Economic Freedom Zone business of the taxpayer.

''(B) SPECIAL RULE FOR BUILDINGS WHICH ARE SUBSTANTIALLY IMPROVED.—

''(i) IN GENERAL.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as met with respect to—

''(I) property which is substantially improved by the taxpayer before the date on which such taxpayer no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones, and

''(II) any land on which such property is located.

''(ii) SUBSTANTIAL IMPROVEMENT.—For purposes of clause (i), property shall be treated as substantially improved by the taxpayer only if, during any 24-month period beginning after the date on which the taxpayer qualifies as an Economic Freedom Zone business additions to basis with respect to such property in the hands of the taxpayer exceed the greater of—

''(I) an amount equal to the adjusted basis of such property at the beginning of such 24-month period in the hands of the taxpayer, or

''(II) $5,000.

''(5) TREATMENT OF ECONOMIC FREEDOM ZONE TERMINATION.—Except as otherwise provided in this subsection, the termination of the designation of the Economic Freedom Zone shall be disregarded for purposes of determining whether any property is an Economic Freedom Zone asset.

''(6) TREATMENT OF SUBSEQUENT PURCHASERS, ETC.—The term 'Economic Freedom Zone asset' includes any property which would be an Economic Freedom Zone asset but for paragraph (2)(A)(i), (3)(A), or (4)(A)(i) or (ii) in the hands of the taxpayer if such property was an Economic Freedom Zone asset in the hands of a prior holder.

''(7) 5-YEAR SAFE HARBOR.—If any property ceases to be an Economic Freedom Zone asset by reason of paragraph (2)(A)(iii), (3)(C), or (4)(A)(iii) after the 5-year period beginning on the date the taxpayer acquired such property, such property shall continue to be treated as meeting the requirements of such paragraph; except that the amount of gain to which subsection (a) applies on any sale or exchange of such property shall not exceed the amount which would be qualified capital gain had such property been sold on the date of such cessation.

''(c) ECONOMIC FREEDOM ZONE BUSINESS.—For purposes of this section, the term 'Economic Freedom Zone business' means any enterprise zone business (as defined in section 1397C), determined—

''(1) after the application of section 1400(e),

''(2) by substituting '80 percent' for '50 percent' in subsections (b)(2) and (c)(1) of section 1397C, and

''(3) by treating only areas that are Economic Freedom Zones as an empowerment zone or enterprise community.

''(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED CAPITAL GAIN.—Except as otherwise provided in this subsection, the term 'qualified capital gain' means any gain recognized on the sale or exchange of—

''(A) a capital asset, or

''(B) property used in the trade or business (as defined in section 1231(b)).

''(2) CERTAIN GAIN NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain attributable to periods before the date on which the a business qualifies as an Economic Freedom Zone business or after the date that is 4 years after the date on which such business no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones.

''(3) CERTAIN GAIN NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain which would be treated as ordinary income under section 1245 or under section 1250 if section 1250 applied to all depreciation rather than the additional depreciation.

''(4) INTANGIBLES NOT INTEGRAL PART OF ECONOMIC FREEDOM ZONE BUSINESS.—In the case of gain described in subsection (a)(1), the term 'qualified capital gain' shall not include any gain which is attributable to an intangible asset which is not an integral part of an Economic Freedom Zone business.

''(5) RELATED PARTY TRANSACTIONS.—The term 'qualified capital gain' shall not include any gain attributable, directly or indirectly, in whole or in part, to a transaction with a related person. For purposes of this paragraph, persons are related to each other if such persons are described in section 267(b) or 707(b)(1).

''(e) SALES AND EXCHANGES OF INTERESTS IN PARTNERSHIPS AND S CORPORATIONS WHICH ARE ECONOMIC FREEDOM ZONE BUSINESSES.—In the case of the sale or exchange of an interest in a partnership, or of stock in an S corporation, which was an Economic Freedom Zone business during substantially all of the period the taxpayer held such interest or stock, the amount of qualified capital gain shall be determined without regard to—

''(1) any gain which is attributable to an intangible asset which is not an integral part of an Economic Freedom Zone business, and

''(2) any gain attributable to periods before the date on which the a business qualifies as an Economic Freedom Zone business or after the date that is 4 years after the date on which such business no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones.

''SEC. 1400V–4. REDUCED PAYROLL TAXES.

''(a) IN GENERAL.—

''(1) EMPLOYEES.—The rate of tax under 3101(a) (including for purposes of determining the applicable percentage under sections 3201(a) and 3211(a)(1)) shall be 4.2 percent for any remuneration received during any period in which the individual's principal residence (within the meaning of section 121) is located in an Economic Freedom Zone.

''(2) EMPLOYERS.—

''(A) IN GENERAL.—The rate of tax under section 3111(a) (including for purposes of determining the applicable percentage under sections 3221(a)) shall be 4.2 percent with respect to remuneration paid for qualified services during any period in which the employer is located in an Economic Freedom Zone.

''(B) QUALIFIED SERVICES.—For purposes of this section, the term 'qualified services' means services performed—

''(i) in a trade or business of a qualified employer, or

''(ii) in the case of a qualified employer exempt from tax under section 501(a) of the Internal Revenue Code of 1986, in furtherance of the activities related to the purpose or function constituting the basis of the employer's exemption under section 501 of such Code.

''(C) LOCATION OF EMPLOYER.—For purposes of this paragraph, the location of an employer shall be determined in the same manner as under section 1400V—2(c).

''(3) SELF-EMPLOYED INDIVIDUALS.—The rate of tax under section 1401(a) shall be 8.40 percent any taxable year in which such individual was located (determined under section 1400V—2(c) as if such individual were a corporation) in an Economic Freedom Zone.

''(b) TRANSFERS OF FUNDS.—-

''(1) TRANSFERS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—There are hereby appropriated to the Federal Old-Age and Survivors Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of the application of subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

''(2) TRANSFERS TO SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT.—There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the application of paragraphs (1) and (2) of subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Account had such amendments not been enacted.

''(3) COORDINATION WITH OTHER FEDERAL LAWS.—For purposes of applying any provision of Federal law other than the provisions of the Internal Revenue Code of 1986, the rate of tax in effect under section 3101(a) shall be determined without regard to the reduction in such rate under this section.

''SEC. 1400V–5. INCREASE IN EXPENSING UNDER SECTION 179.

''(a) IN GENERAL.—In the case of an Economic Freedom Zone business, for purposes of section 179—

''(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

''(A) 200 percent of the amount in effect under such section (determined without regard to this section), or

''(B) the cost of section 179 property which is Economic Freedom Zone business property placed in service during the taxable year, and

''(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is Economic Freedom Zone business property shall be 50 percent of the cost thereof.

''(b) ECONOMIC FREEDOM ZONE BUSINESS PROPERTY.—For purposes of this section, the term 'Economic Freedom Zone business property' has the meaning given such term under section 1400V—3(b)(4), except that for purposes of subparagraph (A)(ii) thereof, if property is sold and leased back by the taxpayer within 3 months after the date such property was originally placed in service, such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback

''(c) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified zone property which ceases to be used in an empowerment zone by an enterprise zone business.

''PART II—DEFINITIONS

''Sec. 1400V–6. Economic Freedom Zone.

''SEC. 1400V–6. ECONOMIC FREEDOM ZONE.

''For purposes of this subchapter, the term 'Economic Freedom Zone' means any area which is an Economic Freedom Zone under title II of the Economic Freedom Zone Act.''.

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 of such Code is amended by inserting after the item relating to subchapter Y the following new item:

''SUBCHAPTER Z—ECONOMIC FREEDOM ZONES''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE IV—FEDERAL REGULATORY REDUCTIONS

SEC. 401. SUSPENSION OF CERTAIN LAWS AND REGULATIONS.

(a) ENVIRONMENTAL PROTECTION AGENCY.—For each area designated as an Economic Freedom Zone under this Act, the Administrator of the Environmental Protection Agency shall not enforce, with respect to that Economic Freedom Zone, and the Economic Freedom Zone shall be exempt from compliance with—

(1) part D of the Clean Air Act (42 U.S.C. 7501 et seq.) (including any regulations promulgated under that part);

(2) section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342);

(3) sections 139, 168, 169, 326, and 327 of title 23, United States Code;

(4) section 304 of title 49, United States Code; and

(5) sections 1315 through 1320 of Public Law 112–141 (126 Stat. 549).

(b) DEPARTMENT OF THE INTERIOR.—

(1) WILD AND SCENIC RIVERS.—For each area designated as an Economic Freedom Zone under this Act, the Secretary of the Interior shall not enforce, with respect to that Economic Freedom Zone, and the Economic Freedom Zone shall be exempt from compliance with the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.).

(2) NATIONAL HERITAGE AREAS.—For the period beginning on the date of enactment of this Act and ending on the date on which an area is removed from designation as an Economic Freedom Zone, any National Heritage Area located within that Economic Freedom Zone shall not be considered to be a National Heritage Area and any applicable Federal law (including regulations) relating to that National Heritage Area shall not apply.

TITLE V—EDUCATIONAL ENHANCEMENTS

SEC. 501. EDUCATIONAL OPPORTUNITY TAX CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 25D the following new section:

''SEC. 25E. CREDIT FOR QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified elementary and secondary education expenses of an eligible student.

''(b) LIMITATION.—The amount taken into account under subsection (a) with respect to any student for any taxable year shall not exceed $5,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term 'qualified elementary and secondary education expenses' has the meaning given such term under section 530(b)(3).

''(2) ELIGIBLE STUDENT.—The term 'eligible student' means any student who—

''(A) is enrolled in, or attends, any public, private, or religious school (as defined in section 530(b)(3)(B)), and

''(B) whose principal residence (within the meaning of section 123) is located in an Economic Freedom Zone.

''(3) ECONOMIC FREEDOM ZONE.—The term 'Economic Freedom Zone' means any area which is an Economic Freedom Zone under title II of the Economic Freedom Zone Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Credit for qualified elementary and secondary education expenses.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made in taxable years beginning after the date of the enactment of this Act.

SEC. 502. SCHOOL CHOICE THROUGH PORTABILITY.

(a) IN GENERAL.—Subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) is amended by adding at the end the following:

''SEC. 1128. SCHOOL CHOICE THROUGH PORTABILITY.

''(a) AUTHORIZATION.—

''(1) IN GENERAL.—Notwithstanding sections 1124, 1124A, and 1125 and any other provision of law, and to the extent permitted under State law, a State educational agency may allocate grant funds under this subpart among the local educational agencies in the State based on the formula described in paragraph (2).

''(2) FORMULA.—A State educational agency may allocate grant funds under this subpart for a fiscal year among the local educational agencies in the State in proportion to the number of eligible children enrolled in public schools served by the local educational agency and enrolled in State-accredited private schools within the local educational agency's geographic jurisdiction, for the most recent fiscal year for which satisfactory data are available, compared to the number of such children in all such local educational agencies for that fiscal year.

''(b) ELIGIBLE CHILD.—

''(1) IN GENERAL.—In this section, the term 'eligible child' means a child—

''(A) from a family with an income below the poverty level, on the basis of the most recent satisfactory data published by the Department of Commerce; and

''(B) who resides in an Economic Freedom Zone as designated under title II of the Economic Freedom Zones Act of 2013.

''(2) CRITERIA OF POVERTY.—In determining the families with incomes below the poverty level for the purposes of paragraph (2), a State educational agency shall use the criteria of poverty used by the Census Bureau in compiling the most recent decennial census.

''(3) IDENTIFICATION OF ELIGIBLE CHILDREN.—On an annual basis, on a date to be determined by the State educational agency, each local educational agency that receives grant funding in accordance with subsection (a) shall inform the State educational agency of the number of eligible children enrolled in public schools served by the local educational agency and enrolled in State-accredited private schools within the local educational agency's geographic jurisdiction.

''(c) DISTRIBUTION TO SCHOOLS.—Each local educational agency that receives grant funding under subsection (a) shall distribute such funds to the public schools served by the local educational agency and State-accredited private schools with the local educational agency's geographic jurisdiction—

''(1) based on the number of eligible children enrolled in such schools; and

''(2) in the manner that would, in the absence of such Federal funds, supplement the funds made available from the non-Federal resources for the education of pupils participating in programs under this part, and not to supplant such funds.''.

(b) TABLE OF CONTENTS.—The table of contents in section 2 of the Elementary and Secondary Education Act of 1965 is amended by inserting after the item relating to section 1127 the following:

''Sec. 1128. School choice through portability.''.

SEC. 503. SPECIAL ECONOMIC FREEDOM ZONE VISAS.

(a) DEFINITIONS.—In this section:

(1) ABANDONED; DILAPIDATED.—The terms ''abandoned'' and ''dilapidated'' shall be defined by the States in accordance with the provisions of this division.

(2) FULL-TIME EMPLOYMENT.—The term ''full-time employment'' means employment in a position that requires at least 35 hours of service per week at any time, regardless of who fills the position.

(b) PURPOSE.—The purpose of this section is to facilitate increased investment and enhanced human capital in Economic Freedom Zones through the issuance of special regional visas.

(c) AUTHORIZATION.—The Secretary of Homeland Security, in collaboration with the Secretary of Labor, may issue Special Economic Freedom Zone Visas, in a number determined by the Governor of each State, in consultation with local officials in regions designated by the Secretary of Treasury as Economic Freedom Zones, to authorize qualified aliens to enter the United States for the purpose of—

(1) engaging in a new commercial enterprise (including a limited partnership)—

(A) in which such alien has invested, or is actively in the process of investing, capital in an amount not less than the amount specified in subsection (d); and

(B) which will benefit the region designated as an Economic Freedom Zone by creating full-time employment of not fewer than 5 United States citizens, aliens lawfully admitted for permanent residence, or other immigrants lawfully authorized to be employed in the United States (excluding the alien and the alien's immediate family);

(2) engaging in the purchase and renovation of dilapidated or abandoned properties or residences (as determined by State and local officials) in which such alien has invested, or is actively in the process of investing, in the ownership of such properties or residences; or

(3) residing and working in an Economic Freedom Zone.

(d) EFFECTIVE PERIOD.—A visa issued to an alien under this section shall expire on the later of—

(1) the date on which the relevant Economic Freedom Zone loses such designation; or

(2) the date that is 5 years after the date on which such visa was issued to such alien.

(e) CAPITAL AND EDUCATIONAL REQUIREMENTS.—

(1) NEW COMMERCIAL ENTERPRISES.—Except as otherwise provided under this section, the minimum amount of capital required to comply with subsection (c)(1)(A) shall be $50,000.

(2) RENOVATION OF DILAPIDATED OR ABANDONED PROPERTIES.—An alien is not in compliance with subsection (c)(2) unless the alien—

(A) purchases a dilapidated or abandoned property in an Economic Freedom Zone; and

(B) not later than 18 months after such purchase, invests not less than $25,000 to rebuild, rehabilitate, or repurpose the property.

(3) VERIFICATION.—A visa issued under subsection (c) shall not remain in effect for more than 2 years unless the Secretary of Homeland Security has verified that the alien has complied with the requirements described in subsection (c).

(4) EDUCATION AND SKILL REQUIREMENTS.—An alien is not in compliance with subsection (c)(3) unless the alien possesses—

(A) a bachelor's degree (or its equivalent) or an advanced degree;

(B) a degree or specialty certification that—

(i) is required for the job the alien will be performing; and

(ii) is specific to an industry or job that is so complex or unique that it can be performed only by an individual with the specialty certification;

(C)(i) the knowledge required to perform the duties of the job the alien will be performing; and

(ii) the nature of the specific duties is so specialized and complex that such knowledge is usually associated with attainment of a bachelor's or higher degree; or

(D) a skill or talent that would benefit the Economic Freedom Zone.

(f) ADDITIONAL PROVISIONS.—

(1) GEOGRAPHIC LIMITATION.—An alien who has been issued a visa under this section is not permitted to live or work outside of an Economic Freedom Zone.

(2) RESCISSION.—A visa issued under this section shall be rescinded if the visa holder resides or works outside of an Economic Freedom Zone or otherwise fails to comply with the provisions of this section.

(3) OTHER VISAS.—An alien who has been issued a visa under this section may apply for any other visa for which the alien is eligible in order to pursue employment outside of an Economic Freedom Zone.

(g) ADJUSTMENT OF STATUS.—The Secretary of Homeland Security may adjust the status of an alien who has been issued a visa under this section to that of an alien lawfully admitted for permanent residence, without numerical limitation, if the alien—

(1) has fully complied with the requirements set forth in this section for at least 5 years;

(2) submits a completed application to the Secretary; and

(3) is not inadmissible to the United States based on any of the factors set forth in section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)).

SEC. 504. ECONOMIC FREEDOM ZONE EDUCATIONAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Part VIII of subchapter F of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 530A. ECONOMIC FREEDOM ZONE EDUCATIONAL SAVINGS ACCOUNTS.

''(a) IN GENERAL.—Except as provided in this section, an Economic Freedom Zone educational savings account shall be treated for purposes of this title in the same manner as a Coverdell education savings account.

''(b) DEFINITIONS.—For purposes of this section—

''(1) ECONOMIC FREEDOM ZONE EDUCATIONAL SAVINGS ACCOUNT.—The term 'Economic Freedom Zone educational savings account' means a trust created or organized in the United States exclusively for the purpose of paying the qualified education expenses (as defined in section 530(b)(2)) of an individual who is the designated beneficiary of the trust (and designated as an Economic Freedom Zone educational saving account at the time created or organized) and who is a qualified individual at the time such trust is established, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted—

''(i) unless it is in cash,

''(ii) after the date on which such beneficiary attains age 25, or

''(iii) except in the case of rollover contributions, if such contribution would result in aggregate contributions for the taxable year exceeding $10,000.

''(B) No contribution shall be accepted at any time in which the designated beneficiary is not a qualified individual.

''(C) The trust meets the requirements of subparagraphs (B), (C), (D), and (E) of section 530(b)(1).

The age limitations in subparagraphs (A)(ii), subparagraph (E) of section 530(b)(1), and paragraphs (5) and (6) of section 530(d), shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).

''(2) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means any individual whose principal residence (within the meaning of section 121) is located in an Economic Freedom Zone (as defined in section 1400V—6).

''(c) DEDUCTION FOR CONTRIBUTIONS.—

''(1) IN GENERAL.—There shall be allowed as a deduction under part VII of subchapter B of this chapter an amount equal to the aggregate amount of contributions made by the taxpayer to any Economic Freedom Zone educational savings account during the taxable year .

''(2) LIMITATION.—The amount of the deduction allowed under paragraph (1) for any taxpayer for any taxable year shall not exceed $40,000.

''(3) NO DEDUCTION FOR ROLLOVER CONTRIBUTIONS.—No deduction shall be allowed under paragraph (1) for any rollover contribution described in section 530(d)(5).

''(d) OTHER RULES.—

''(1) NO INCOME LIMIT.—In the case of an Economic Freedom Zone educational savings account, subsection (c) of section 530 shall not apply.

''(2) CHANGE IN BENEFICIARIES.—Notwithstanding paragraph (6) of section 530(b), a change in the beneficiary of an Economic Freedom Zone education savings account shall be treated as a distribution unless the new beneficiary is a qualified individual.''.

(b) CLERICAL AMENDMENT.—The table of sections for part VIII of subchapter F of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 530A. Economic Freedom Zone educational savings accounts.''.

TITLE VI—COMMUNITY ASSISTANCE AND REBUILDING

SEC. 601. NONAPPLICATION OF DAVIS-BACON.

The wage rate requirements of subchapter IV of chapter 31 of title 40, United States Code (commonly referred to as the ''Davis-Bacon Act''), shall not apply with respect to any area designated as an Economic Freedom Zone under this Act.

SEC. 602. ECONOMIC FREEDOM ZONE CHARITABLE TAX CREDIT.

(a) IN GENERAL.—Section 170 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(o) ELECTION TO TREAT CONTRIBUTIONS FOR ECONOMIC FREEDOM ZONE CHARITIES AS A CREDIT.—

''(1) IN GENERAL.—In the case of an individual, at the election of the taxpayer, so much of the deduction allowed under subsection (a) (determined without regard to this subsection) which is attributable to Economic Freedom Zone charitable contributions—

''(A) shall be allowed as a credit against the tax imposed by this chapter for the taxable year, and

''(B) shall not be allowed as a deduction for such taxable year under subsection (a).

Any amount allowable as a credit under this subsection shall be treated as a credit allowed under subpart A of part IV of subchapter A for purposes of this title.

''(2) AMOUNT ATTRIBUTABLE TO ECONOMIC FREEDOM ZONE CHARITABLE CONTRIBUTIONS.—For purposes of paragraph (1)—

''(A) IN GENERAL.—In any case in which the total charitable contributions of a taxpayer for a taxable year exceed the contribution base, the amount of Economic Freedom Zone charitable contributions taken into account under paragraph (1) shall be the amount which bears the same ratio to the total charitable contributions made by the taxpayer during such taxable year as the amount of the deduction allowed under subsection (a) (determined without regard to this subsection and after application of subsection (b)) bears to the total charitable contributions made by the taxpayer for such taxable year.

''(B) CARRYOVERS.—In the case of any contribution carried from a preceding taxable year under subsection (d), such amount shall be treated as attributable to an Economic Freedom Zone charitable contribution in the amount that bears the same ratio to the total amount carried from preceding taxable years under subsection (d) as the amount of Economic Freedom Zone charitable contributions not allowed as a deduction under subsection (a) (other than by reason of this subsection) for the preceding 5 taxable year bears to total amount carried from preceding taxable years under subsection (d).

''(3) ECONOMIC FREEDOM ZONE CHARITABLE CONTRIBUTION.—The term 'Economic Freedom Zone charitable contribution' means any contribution to a corporation, trust, or community chest fund, or foundation described in subsection (c)(2), but only if—

''(A) such entity is created or organized exclusively for—

''(i) religious purposes,

''(ii) educational purposes, or

''(iii) any of the following charitable purposes: providing educational scholarships, providing shelters for homeless individuals, or setting up or maintaining food banks,

''(B) the primary mission of such entity is serving individuals in an Economic Freedom Zone,

''(C) the entity maintains accountability to residents of such Economic Freedom Zone through their representation on any governing board of the entity or any advisory board to the entity, and

''(D) the entity is certified by the Secretary for purposes of this subsection.

Such term shall not include any contribution made to an entity described in the preceding sentence after the date in which the designation of the Economic Freedom Zone serviced by such entity lapses.

''(4) ECONOMIC FREEDOM ZONE.—The term 'Economic Freedom Zone' means any area which is an Economic Freedom Zone under title II of the Economic Freedom Zone Act.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE VII—STATE AND COMMUNITY POLICY RECOMMENDATIONS

SEC. 701. SENSE OF THE SENATE CONCERNING POLICY RECOMMENDATIONS.

It is the sense of the Senate that State and local governments should review and adopt the following policy recommendations:

(1) PENSION REFORM.—State and local governments should—

(A) implement reforms to address any fiscal shortfall in public pension funding, including utilizing accrual accounting methods, such as those reforms undertaken by the private sector pension funds; and

(B) restructure and renegotiate any public pension fund that is deemed to be insolvent or underfunded, including adopting defined contribution retirement systems.

(2) TAXES.—State and local governments should reduce jurisdictional tax rates below the national average in order to help facilitate capital investment and economic growth, particularly in combination with the provisions of this division.

(3) EDUCATION.—State and local governments should adopt school choice options to provide children and parents more educational choices, particularly in impoverished areas.

(4) COMMUNITIES.—State and local governments should adopt right-to-work laws to allow more competitiveness and more flexibility for businesses to expand.

(5) REGULATIONS.—State and local governments should streamline the regulatory burden on families and businesses, including streamlining the opportunities for occupational licensing.

(6) ABANDONED STRUCTURES.—State and local governments should consider the following options to reduce or fix areas with abandoned properties or residences:

(A) In the case of foreclosures, tax notifications should be sent to both the lien holder (if different than the homeowner) and the homeowner.

(B) Where State constitutions permit, property tax abatement or credits should be provided for individuals who purchase or invest in abandoned or dilapidated properties.

(C) Non-profit or charity demolition entities should be permitted or encouraged to help remove abandoned properties.

(D) Government or municipality fees and penalties should be limited, and be proportional to the outstanding tax amount and the ability to pay.

(E) The sale of tax liens to third parties should be reviewed, and where available, should prohibit the selling of tax liens below a certain threshold (for example the prohibition of the sale of tax liens to third parties under $1,000).

SA 2615. Mr. INHOFE (for himself, Mr. MCCONNELL, Mr. VITTER, Mr. BLUNT, and Mr. CORNYN) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

On page 6, after line 11, add the following:

SEC. 7. ANALYSIS OF EMPLOYMENT EFFECTS UNDER THE CLEAN AIR ACT.

(a) FINDINGS.—Congress finds that—

(1) the Environmental Protection Agency has systematically distorted the true impact of the regulations of the Agency on job creation by using incomplete analyses to assess effects on employment and failing to take into account the cascading effects of a regulatory change across interconnected industries and markets nationwide;

(2) although in many instances, the Environmental Protection Agency has stated that the impact of certain regulations will result in net job creation, implementation of the regulations will actually require billions of dollars in compliance costs, resulting in reduced business profits and millions of actual job losses;

(3)(A) the analysis of the Environmental Protection Agency of the final rule of the Agency entitled ''National Emission Standards for Hazardous Air Pollutants From Coal- and Oil-Fired Electric Utility Steam Generating Units and Standards of Performance for Fossil-Fuel-Fired Electric Utility, Industrial-Commercial-Institutional, and Small Industrial-Commercial-Institutional Steam Generating Units'' (77 Fed. Reg. 9304 (Feb. 16, 2012)) estimated that implementation of the final rule would result in the creation of 46,000 temporary construction jobs and 8,000 net new permanent jobs; but

(B) a private study conducted by NERA Economic Consulting, using a ''whole economy'' model, estimated that implementation of the final rule described in subparagraph (A) would result in a negative impact on the income of workers in an amount equivalent to 180,000 to 215,000 lost jobs in 2015 and 50,000 to 85,000 lost jobs each year thereafter;

(4)(A) the analysis of the Environmental Protection Agency of the final rule of the Agency entitled ''Federal Implementation Plans: Interstate Transport of Fine Particulate Matter and Ozone and Correction of SIP Approvals'' (76 Fed. Reg. 48208 (Aug. 8, 2011)) estimated that implementation of the final rule would result in the creation of 700 jobs per year; but

(B) a private study conducted by NERA Economic Consulting estimated that implementation of the final rule described in subparagraph (A) would result in the elimination of a total of 34,000 jobs during the period beginning in calendar year 2013 and ending in calendar year 2037;

(5)(A) the analysis of the Environmental Protection Agency of the final rules of the Agency entitled ''National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters'' (76 Fed. Reg. 15608 (March 21, 2011)) and ''National Emission Standards for Hazardous Air Pollutants for Area Sources: Industrial, Commercial, and Institutional Boilers'' (76 Fed. Reg. 15554 (March 21, 2011)) estimated that implementation of the final rules would result in the creation of 2,200 jobs per year; but

(B) a private study conducted NERA Economic Consulting estimated that implementation of the final rules described in subparagraph (A) would result in the elimination of 28,000 jobs per year during the period beginning in calendar year 2013 and ending in calendar year 2037;

(6) implementation of certain rules of the Environmental Protection Agency that have not been updated or finalized as of the date of enactment of this Act, such as an update of the rules of the Agency relating to greenhouse gases and national ambient air quality standards, will result in significant and negative employment impacts, but the Agency has not yet fully studied or disclosed those impacts;

(7) in developing or updating any regulations after the date of enactment of this Act, the Environmental Protection Agency must be required to fully study the adverse impact those regulations will have on jobs and employment levels in the United States and disclose those impacts to the people of the United States before issuing a final rule; and

(8) although since 1977, section 321(a) of the Clean Air Act (42 U.S.C. 7621(a)) has required the Administrator of the Environmental Protection Agency to ''conduct continuing evaluations of potential loss or shifts of employment which may result from the administration or enforcement of the provision of [the Clean Air Act] and applicable implementation plans, including where appropriate, investigating threatened plant closures or reductions in employment allegedly resulting from such administration or enforcement'', the Environmental Protection Agency has failed to conduct any study that considers the impact of programs carried out under the Clean Air Act (42 U.S.C. 7401 et seq.) on jobs and changes in employment.

(b) PROHIBITION.—The Administrator of the Environmental Protection Agency shall not issue any final rule until the date on which the Administrator—

(1) completes a full economic analysis pursuant to section 321(a) of the Clean Air Act (42 U.S.C. 7621(a)); and

(2) establishes a process to update that analysis not less frequently than quarterly.

SA 2616. Mr. PORTMAN (for himself and Mr. TOOMEY) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 7. AUTHORITY TO USE ANY DISCRETIONARY APPROPRIATIONS AVAILABLE TO THE SECRETARY OF LABOR TO CONDUCT IN-PERSON REEMPLOYMENT AND UNEMPLOYMENT INSURANCE ELIGIBILITY ASSESSMENTS FOR UNEMPLOYMENT INSURANCE BENEFICIARIES.

(a) AUTHORITY.—Notwithstanding any other provision of law, the Secretary of Labor may, for fiscal years 2014 through 2023, use any discretionary appropriations available to the Secretary to conduct in-person reemployment and unemployment insurance eligibility assessments for unemployment insurance beneficiaries.

(b) LIMITATION.—Amounts used in a fiscal year pursuant to the authority under subsection (a) may not exceed the following:

(1) $20,000,000 for fiscal year 2014.
(2) $25,000,000 for fiscal year 2015.
(3) $30,000,000 for fiscal year 2016.
(4) $35,000,000 for fiscal year 2017.
(5) $36,000,000 for fiscal year 2018.
(6) $37,000,000 for fiscal year 2019.
(7) $38,000,000 for fiscal year 2020.
(8) $39,000,000 for fiscal year 2021.
(9) $40,000,000 for fiscal year 2022.
(10) $41,000,000 for fiscal year 2023.

SEC. 8. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after December 2014.

SA 2617. Mr. COATS submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. REQUIREMENT THAT INDIVIDUALS RECEIVING EMERGENCY UNEMPLOYMENT COMPENSATION BE ACTIVELY ENGAGED IN A SYSTEMATIC AND SUSTAINED EFFORT TO OBTAIN EMPLOYMENT.

(a) IN GENERAL.—Paragraph (1) of section 4001(h) of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (B), by striking ''has engaged in an active search for employment'' and inserting ''has actively engaged in a systematic and sustained effort to obtain employment''; and

(2) by amending subparagraph (D) to read as follows:

''(D) when requested by the State agency, has demonstrated active engagement in a systematic and sustained effort to obtain employment, as determined based on evidence (whether in electronic format or otherwise) satisfactory to the State agency.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SA 2618. Mrs. SHAHEEN (for herself, Mr. SCHATZ, Ms. HIRONO, Mr. BLUMENTHAL, Mr. WARNER, Mr. UDALL of New Mexico, Mr. COONS, Mr. BEGICH, Ms. LANDRIEU, Ms. BALDWIN, Mr. KAINE, Mr. FRANKEN, and Mr. MERKLEY) submitted an amendment intended to be proposed by her to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 7. REPEAL OF REDUCTIONS MADE BY BIPARTISAN BUDGET ACT OF 2013.

Section 403 of the Bipartisan Budget Act of 2013 is repealed as of the date of the enactment of such Act.

SEC. 8. TREATMENT OF FOREIGN CORPORATIONS MANAGED AND CONTROLLED IN THE UNITED STATES AS DOMESTIC CORPORATIONS.

(a) IN GENERAL.—Section 7701 of the Internal Revenue Code of 1986 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(p) CERTAIN CORPORATIONS MANAGED AND CONTROLLED IN THE UNITED STATES TREATED AS DOMESTIC FOR INCOME TAX.—

''(1) IN GENERAL.—Notwithstanding subsection (a)(4), in the case of a corporation described in paragraph (2) if—

''(A) the corporation would not otherwise be treated as a domestic corporation for purposes of this title, but

''(B) the management and control of the corporation occurs, directly or indirectly, primarily within the United States,

then, solely for purposes of chapter 1 (and any other provision of this title relating to chapter 1), the corporation shall be treated as a domestic corporation.

''(2) CORPORATION DESCRIBED.—

''(A) IN GENERAL.—A corporation is described in this paragraph if—

''(i) the stock of such corporation is regularly traded on an established securities market, or

''(ii) the aggregate gross assets of such corporation (or any predecessor thereof), including assets under management for investors, whether held directly or indirectly, at any time during the taxable year or any preceding taxable year is $50,000,000 or more.

''(B) GENERAL EXCEPTION.—A corporation shall not be treated as described in this paragraph if—

''(i) such corporation was treated as a corporation described in this paragraph in a preceding taxable year,

''(ii) such corporation—

''(I) is not regularly traded on an established securities market, and

''(II) has, and is reasonably expected to continue to have, aggregate gross assets (including assets under management for investors, whether held directly or indirectly) of less than $50,000,000, and

''(iii) the Secretary grants a waiver to such corporation under this subparagraph.

''(3) MANAGEMENT AND CONTROL.—

''(A) IN GENERAL.—The Secretary shall prescribe regulations for purposes of determining cases in which the management and control of a corporation is to be treated as occurring primarily within the United States.

''(B) EXECUTIVE OFFICERS AND SENIOR MANAGEMENT.—Such regulations shall provide that—

''(i) the management and control of a corporation shall be treated as occurring primarily within the United States if substantially all of the executive officers and senior management of the corporation who exercise day-to-day responsibility for making decisions involving strategic, financial, and operational policies of the corporation are located primarily within the United States, and

''(ii) individuals who are not executive officers and senior management of the corporation (including individuals who are officers or employees of other corporations in the same chain of corporations as the corporation) shall be treated as executive officers and senior management if such individuals exercise the day-to-day responsibilities of the corporation described in clause (i).

''(C) CORPORATIONS PRIMARILY HOLDING INVESTMENT ASSETS.—Such regulations shall also provide that the management and control of a corporation shall be treated as occurring primarily within the United States if—

''(i) the assets of such corporation (directly or indirectly) consist primarily of assets being managed on behalf of investors, and

''(ii) decisions about how to invest the assets are made in the United States.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after the date which is 2 years after the date of the enactment of this Act, whether or not regulations are issued under section 7701(p)(3) of the Internal Revenue Code of 1986, as added by this section.

SA 2619. Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 7. AUTHORITY TO USE ANY DISCRETIONARY APPROPRIATIONS AVAILABLE TO THE SECRETARY OF LABOR TO CONDUCT IN-PERSON REEMPLOYMENT AND UNEMPLOYMENT INSURANCE ELIGIBILITY ASSESSMENTS FOR UNEMPLOYMENT INSURANCE BENEFICIARIES.

(a) AUTHORITY.—Notwithstanding any other provision of law, the Secretary of Labor may, for fiscal years 2014 through 2023, use any discretionary appropriations available to the Secretary to conduct in-person reemployment and unemployment insurance eligibility assessments for unemployment insurance beneficiaries.

(b) LIMITATION.—Amounts used in a fiscal year pursuant to the authority under subsection (a) may not exceed the following:

(1) $20,000,000 for fiscal year 2014.

(2) $25,000,000 for fiscal year 2015.
(3) $30,000,000 for fiscal year 2016.
(4) $35,000,000 for fiscal year 2017.
(5) $36,000,000 for fiscal year 2018.
(6) $37,000,000 for fiscal year 2019.
(7) $38,000,000 for fiscal year 2020.
(8) $39,000,000 for fiscal year 2021.
(9) $40,000,000 for fiscal year 2022.
(10) $41,000,000 for fiscal year 2023.

SA 2620. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike sections 2 through 6 and insert the following:

SEC. 2. EXTENSION AND MODIFICATION OF THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) EXTENSION.—Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subsection (a)(2), by striking ''January 1, 2014'' and inserting ''January 1, 2015''; and

(2) by striking subsection (b) and inserting the following:

''(b) PAYMENT OF AMOUNTS REMAINING IN ACCOUNT.—

''(1) IN GENERAL.—Subject to paragraph (2), in the case of an individual who has amounts remaining in an account established under section 4002 as of the last day of the last week (as determined in accordance with the applicable State law) ending on or before January 1, 2015, the following rules shall apply:

''(A) Taking into account any augmentation under subparagraph (B), emergency unemployment compensation shall continue to be payable to such individual under this title for any week beginning after such last day as long as the individual meets the eligibility requirements of this title.

''(B) Augmentation under subsection (c), (d), and (e) of section 4002 may occur after such date as long as the requirements for such augmentation are otherwise met.

''(2) LIMIT ON COMPENSATION.—No compensation under this title shall be payable for any week beginning after October 3, 2015.''.

(b) MODIFICATIONS RELATING TO WEEKS OF EMERGENCY UNEMPLOYMENT COMPENSATION.—

(1) FIRST TIER.—Section 4002(b) of the Supplemental Appropriations Act, 2008 (26 U.S.C. 3304 note; Public Law 110–252) is amended—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to—

''(A) for an account established after December 28, 2013, and before March 30, 2014, the lesser of—

''(i) 54 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 14 times the individual's average weekly benefit amount for the benefit year;

''(B) for an account established after March 29, 2014, and before June 29, 2014, the lesser of—

''(i) 43 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 11 times the individual's average weekly benefit amount for the benefit year;

''(C) for an account established after June 28, 2014, and before September 27, 2014, the lesser of—

''(i) 27 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 7 times the individual's average weekly benefit amount for the benefit year; or

''(D) for an account established after September 26, 2014, and before January 1, 2015, the lesser of—

''(i) 16 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 4 times the individual's average weekly benefit amount for the benefit year.'';

(B) by striking paragraph (3); and

(C) by redesignating paragraph (3) as paragraph (2).

(2) SECOND TIER.—Section 4002(c)(1) of the Supplemental Appropriations Act, 2008 (26 U.S.C. 3304 note; Public Law 110–252) is amended by striking subparagraphs (A) and (B) and inserting the following:

''(A) for an account established under subsection (a) after December 28, 2013, and before March 30, 2014, the lesser of—

''(i) 54 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 14 times the individual's average weekly benefit amount for the benefit year;

''(B) for an account established under subsection (a) after March 29, 2014, and before June 29, 2014, the lesser of—

''(i) 43 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 11 times the individual's average weekly benefit amount for the benefit year;

''(C) for an account established under subsection (a) after June 28, 2014, and before September 27, 2014, the lesser of—

''(i) 27 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 7 times the individual's average weekly benefit amount for the benefit year; or

''(D) for an account established under subsection (a) after September 26, 2014, and before January 1, 2015, the lesser of—

''(i) 16 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 4 times the individual's average weekly benefit amount for the benefit year.''.

(3) THIRD TIER.—Section 4002(d) of the Supplemental Appropriations Act, 2008 (26 U.S.C. 3304 note; Public Law 110–252) is amended—

(A) in paragraph (1), by striking subparagraphs (A) and (B) and inserting the following:

''(A) for an account established under subsection (a) after December 28, 2013, and before March 30, 2014, the lesser of—

''(i) 35 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 9 times the individual's average weekly benefit amount for the benefit year;

''(B) for an account established under subsection (a) after March 29, 2014, and before June 29, 2014, the lesser of—

''(i) 27 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 7 times the individual's average weekly benefit amount for the benefit year;

''(C) for an account established under subsection (a) after June 28, 2014, and before September 27, 2014, the lesser of—

''(i) 20 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 5 times the individual's average weekly benefit amount for the benefit year;

''(D) for an account established under subsection (a) after September 26, 2014, and before January 1, 2015, the lesser of—

''(i) 12 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 3 times the individual's average weekly benefit amount for the benefit year.''; and

(B) by striking paragraph (3).

(4) FOURTH TIER.—Section 4002(e) of the Supplemental Appropriations Act, 2008 (26 U.S.C. 3304 note; Public Law 110–252) is amended—

(A) in paragraph (1), by striking subparagraphs (A) and (B) and inserting the following:

''(A) for an account established under subsection (a) after December 28, 2013, and before March 30, 2014, the lesser of—

''(i) 39 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 10 times the individual's average weekly benefit amount for the benefit year;

''(B) for an account established under subsection (a) after March 29, 2014, and before June 29, 2014, the lesser of—

''(i) 27 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 7 times the individual's average weekly benefit amount for the benefit year;

''(C) for an account established under subsection (a) after June 28, 2014, and before September 27, 2014, the lesser of—

''(i) 20 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 5 times the individual's average weekly benefit amount for the benefit year; or

''(D) for an account established after September 26, 2014, and before January 1, 2015, the lesser of—

''(i) 12 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 3 times the individual's average weekly benefit amount for the benefit year.''; and

(B) by striking paragraph (5).

(c) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by inserting ''and'' at the end; and

(3) by inserting after subparagraph (J) the following:

''(K) the amendments made by subsections (a) and (b) of section 2 of the Emergency Unemployment Compensation Extension Act;''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to weeks of unemployment beginning on or after December 29, 2013.

SEC. 3. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after December 2013.

SEC. 4. SOCIAL SECURITY NUMBER REQUIRED TO CLAIM THE REFUNDABLE PORTION OF THE CHILD TAX CREDIT.

(a) IN GENERAL.—Subsection (d) of section 24 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(5) IDENTIFICATION REQUIREMENT WITH RESPECT TO TAXPAYER—

''(A) IN GENERAL.—Paragraph (1) shall not apply to any taxpayer for any taxable year unless the taxpayer includes the taxpayer's Social Security number on the return of tax for such taxable year.

''(B) JOINT RETURNS.—In the case of a joint return, the requirement of subparagraph (A) shall be treated as met if the Social Security number of either spouse is included on such return.''.

(b) OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Subparagraph (I) of section 6213(g)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

''(I) an omission of a correct Social Security number required under section 24(d)(5) (relating to refundable portion of child tax credit), or a correct TIN under section 24(e) (relating to child tax credit), to be included on a return,''.

(c) CONFORMING AMENDMENT.—Subsection (e) of section 24 of the Internal Revenue Code of 1986 is amended by inserting ''With Respect to Qualifying Children'' after ''Identification Requirement'' in the heading thereof,

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 5. LIMITATION ON PAYMENT OF PORTION OF PREMIUM BY FEDERAL CROP INSURANCE CORPORATION.

Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by adding at the end the following:

''(8) LIMITATION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this title, the total amount of premium paid by the Corporation on behalf of a person or legal entity, directly or indirectly, with respect to all policies issued to the person or legal entity under this title for a crop year shall be limited to a maximum of $50,000.

''(B) RELATIONSHIP TO OTHER LAW.—To the maximum extent practicable, the Corporation shall carry out this paragraph in accordance with sections 1001 through 1001F of the Food Security Act of 1985 (7 U.S.C. 1308 et seq.).''.

SA 2621. Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 7. UNFUNDED MANDATES ACCOUNTABILITY.

(a) FINDINGS.—Congress finds the following:

(1) The public has a right to know the benefits and costs of regulation. Effective regulatory programs provide important benefits to the public, including protecting the environment, worker safety, and human health. Regulations also impose significant costs on individuals, employers, State, local, and tribal governments, diverting resources from other important priorities.

(2) Better regulatory analysis and review should improve the quality of agency decisions, increasing the benefits and reducing unwarranted costs of regulation.

(3) Disclosure and scrutiny of key information underlying agency decisions should make Government more accountable to the public it serves.

(b) REGULATORY IMPACT ANALYSES FOR CERTAIN RULES.—

(1) REGULATORY IMPACT ANALYSES FOR CERTAIN RULES.—Section 202 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1532) is amended—

(A) by striking the section heading and inserting the following:

''SEC. 202. REGULATORY IMPACT ANALYSES FOR CERTAIN RULES.'';

(B) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively;

(C) by striking subsection (a) and inserting the following:

''(a) DEFINITION.—In this section, the term 'cost' means the cost of compliance and any reasonably foreseeable indirect costs, including revenues lost as a result of an agency rule subject to this section.

''(b) IN GENERAL.—Before promulgating any proposed or final rule that may have an annual effect on the economy of $100,000,000 or more (adjusted for inflation), or that may result in the expenditure by State, local, and tribal governments, in the aggregate, of $100,000,000 or more (adjusted for inflation) in any 1 year, each agency shall prepare and publish in the Federal Register an initial and final regulatory impact analysis. The initial regulatory impact analysis shall accompany the agency's notice of proposed rulemaking and shall be open to public comment. The final regulatory impact analysis shall accompany the final rule.

''(c) CONTENT.—The initial and final regulatory impact analysis under subsection (b) shall include—

''(1)(A) an analysis of the anticipated benefits and costs of the rule, which shall be quantified to the extent feasible;

''(B) an analysis of the benefits and costs of a reasonable number of regulatory alternatives within the range of the agency's discretion under the statute authorizing the rule, including alternatives that—

''(i) require no action by the Federal Government; and

''(ii) use incentives and market-based means to encourage the desired behavior, provide information upon which choices can be made by the public, or employ other flexible regulatory options that permit the greatest flexibility in achieving the objectives of the statutory provision authorizing the rule; and

''(C) an explanation that the rule meets the requirements of section 205;

''(2) an assessment of the extent to which—

''(A) the costs to State, local and tribal governments may be paid with Federal financial assistance (or otherwise paid for by the Federal Government); and

''(B) there are available Federal resources to carry out the rule;

''(3) estimates of—

''(A) any disproportionate budgetary effects of the rule upon any particular regions of the Nation or particular State, local, or tribal governments, urban or rural or other types of communities, or particular segments of the private sector; and

''(B) the effect of the rule on job creation or job loss, which shall be quantified to the extent feasible; and

''(4)(A) a description of the extent of the agency's prior consultation with elected representatives (under section 204) of the affected State, local, and tribal governments;

''(B) a summary of the comments and concerns that were presented by State, local, or tribal governments either orally or in writing to the agency; and

''(C) a summary of the agency's evaluation of those comments and concerns.'';

(D) in subsection (d) (as redesignated by subparagraph (B)), by striking ''subsection (a)'' and inserting ''subsection (b)''; and

(E) in subsection (e) (as redesignated by subparagraph (B)), by striking ''subsection (a)'' each place that term appears and inserting ''subsection (b)''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for the Unfunded Mandates Reform Act of 1995 is amended by striking the item relating to section 202 and inserting the following:

''Sec. 202. Regulatory impact analyses for certain rules.''.

(c) LEAST BURDENSOME OPTION OR EXPLANATION REQUIRED.—Section 205 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1535) is amended by striking section 205 and inserting the following:

''SEC. 205. LEAST BURDENSOME OPTION OR EXPLANATION REQUIRED.

''Before promulgating any proposed or final rule for which a regulatory impact analysis is required under section 202, the agency shall—

''(1) identify and consider a reasonable number of regulatory alternatives within the range of the agency's discretion under the statute authorizing the rule, including alternatives required under section 202(b)(1)(B); and

''(2) from the alternatives described under paragraph (1), select the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the statute.''.

(d) INCLUSION OF APPLICATION TO INDEPENDENT REGULATORY AGENCIES.—

(1) IN GENERAL.—Section 421(1) of the Congressional Budget and Impoundment Control

Act of 1974 (2 U.S.C. 658(1)) is amended by striking '', but does not include independent regulatory agencies''.

(2) EXEMPTION FOR MONETARY POLICY.—The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1501 et seq.) is amended by inserting after section 5 the following:

''SEC. 6. EXEMPTION FOR MONETARY POLICY.

''Nothing in title II, III, or IV shall apply to rules that concern monetary policy proposed or implemented by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.''.

(e) JUDICIAL REVIEW.—The Unfunded Mandates Reform Act of 1995 is amended by striking section 401 (2 U.S.C. 1571) and inserting the following:

''SEC. 401. JUDICIAL REVIEW.

''(a) IN GENERAL.—For any rule subject to section 202, a party aggrieved by final agency action is entitled to judicial review of an agency's analysis under and compliance with subsections (b)and (c)(1) of section 202 and section 205. The scope of review shall be governed by chapter 7 of title 5, United States Code.

''(b) JURISDICTION.—Each court having jurisdiction to review a rule subject to section 202 for compliance with section 553 of title 5, United States Code, or under any other provision of law, shall have jurisdiction to review any claims brought under subsection (a) of this section.

''(c) RELIEF AVAILABLE.—In granting relief in an action under this section, the court shall order the agency to take remedial action consistent with chapter 7 of title 5, United States Code, including remand and vacatur of the rule.''.

(f) EFFECTIVE DATE.—This section shall take effect 90 days after the date of enactment of this Act.

SA 2622. Mr. THUNE (for himself, Mr. CHAMBLISS, and Mrs. FISCHER) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Solutions to Long-Term Unemployment Act''.

TITLE I—EXEMPTION FROM AFFORDABLE CARE ACT MANDATE FOR LONG-TERM UNEMPLOYED

SEC. 101. LONG-TERM UNEMPLOYED INDIVIDUALS NOT TAKEN INTO ACCOUNT FOR EMPLOYER HEALTH CARE COVERAGE MANDATE.

(a) IN GENERAL.—Paragraph (4) of section 4980H(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION FOR LONG-TERM UNEMPLOYED INDIVIDUALS.—The term 'full-time employee' shall not include any individual who is a long-term unemployed individual (as defined in section 3111(d)(3)) with respect to such employer.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to months beginning after December 31, 2013.

TITLE II—EMPLOYER PAYROLL TAX HOLIDAY FOR LONG-TERM UNEMPLOYED

SEC. 201. EMPLOYER PAYROLL TAX HOLIDAY FOR LONG-TERM UNEMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Subsection (d) of section 3111 of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) SPECIAL RULE FOR LONG-TERM UNEMPLOYED INDIVIDUALS.—

''(1) IN GENERAL.—Subsection (a) shall not apply to wages paid by a qualified employer with respect to employment during the applicable period of any long-term unemployed individual for services performed—

''(A) in a trade or business of such employer, or

''(B) in the case of an employer exempt from taxation under section 501(a), in furtherance of activities related to the purpose or function constituting the basis of the employer's exemption under section 501.

''(2) QUALIFIED EMPLOYER.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified employer' means any employer other than the United States, any State, or any political subdivision thereof, or any instrumentality of the foregoing.

''(B) TREATMENT OF EMPLOYEES OF POST-SECONDARY EDUCATIONAL INSTITUTIONS.—Notwithstanding subparagraph (A), the term 'qualified employer' includes any employer which is a public institution of higher education (as defined in section 101(b) of the Higher Education Act of 1965).

''(3) LONG-TERM UNEMPLOYED INDIVIDUAL.—For purposes of this subsection, the term 'long-term unemployed individual' means, with respect to any employer, an individual who—

''(A) begins employment with such employer after the date of the enactment of the Solutions to Long-Term Unemployment Act, and

''(B) has been unemployed for 27 weeks or longer, as determined by the Secretary of Labor, immediately before the date such employment begins.

''(4) APPLICABLE PERIOD.—The term 'applicable period' means the period beginning on the date of the enactment of the Solutions to Long-Term Unemployment Act, and ending on the earlier of—

''(A) the date that is 2 years after such date of enactment, or

''(B) the first day of the first month after the date on which the Secretary of Labor certifies that the total number of individuals in the United States who have been unemployed for 27 weeks or longer is less than 2,000,000.

''(5) ELECTION.—An employer may elect to have this subsection not apply. Such election shall be made in such manner as the Secretary may require.''.

(b) COORDINATION WITH WORK OPPORTUNITY CREDIT.—Section 51(c)(5) of the Internal Revenue Code of 1986 is amended to read as follows:

''(5) COORDINATION WITH PAYROLL TAX FORGIVENESS.—The term 'wages' shall not include any amount paid or incurred to a long-term unemployed individual (as defined in section 3111(d)(3)) during the 1-year period beginning on the hiring date of such individual by a qualified employer (as defined in section 3111(d)) unless such qualified employer makes an election not to have section 3111(d) apply.''.

(c) TRANSFERS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—There are hereby appropriated to the Federal Old-Age and Survivors Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of the amendments made by subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

(d) APPLICATION TO RAILROAD RETIREMENT TAXES.—

(1) IN GENERAL.—Subsection (c) of section 3221 of the Internal Revenue Code of 1986 is amended to read as follows:

''(c) SPECIAL RULE FOR LONG-TERM UNEMPLOYED INDIVIDUALS.—

''(1) IN GENERAL.—In the case of compensation paid by an employer during the applicable period, with respect to having a long-term unemployed individual in the employer's employ for services rendered to such employer, the applicable percentage under subsection (a) shall be equal to the rate of tax in effect under section 3111(b) for the calendar year.

''(2) QUALIFIED EMPLOYER.—For purposes of this subsection, the term 'qualified employer' means any employer other than the United States, any State, or any political subdivision thereof, or any instrumentality of the foregoing.

''(3) LONG-TERM UNEMPLOYED INDIVIDUAL.—For purposes of this subsection, the term 'long-term unemployed individual' means, with respect to any employer, an individual who—

''(A) begins employment with such employer after the date of the enactment of the Solutions to Long-Term Unemployment Act, and

''(B) has been unemployed for 27 weeks or longer, as determined by the Secretary of Labor, immediately before the date such employment begins.

''(4) APPLICABLE PERIOD.—The term 'applicable period' means the period beginning on the date of the enactment of the Solutions to Long-Term Unemployment Act, and ending on the earlier of—

''(A) the date that is 2 years after such date of enactment, or

''(B) the first day of the first month after the date on which the Secretary of Labor certifies that the total number of individuals in the United States who have been unemployed for 27 weeks or longer is less than 2,000,000.

''(5) ELECTION.—An employer may elect to have this subsection not apply. Such election shall be made in such manner as the Secretary may require.''.

(2) TRANSFERS TO SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT.—There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the amendments made by paragraph (1). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Account had such amendments not been enacted.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this subsection shall apply to wages paid after the date of the enactment of this Act.

(2) RAILROAD RETIREMENT TAXES.—The amendments made by subsection (d) shall apply to compensation paid after the date of the enactment of this Act.

TITLE III—EMPLOYMENT RELOCATION LOANS

SEC. 301. EMPLOYMENT RELOCATION LOANS.

(a) LOANS AUTHORIZED.—From amounts made available to carry out this section, the Secretary may issue loans, with the interest rates, terms, and conditions provided in this section, to long-term unemployed individuals selected from applications submitted under subsection (b)(1), in order to enable each selected individual to relocate to—

(1) a residence more than 50 miles away from the individual's initial residence, to

allow such individual to begin a new job for which the individual has received and accepted an offer of employment; or

(2) a residence in a State or metropolitan area that—

(A) is not the State or metropolitan area of the individual's initial residence; and

(B) has an unemployment rate that is 2 or more percentage points less than the unemployment rate of the State or metropolitan area, respectively, of the individual's initial residence.

(b) SELECTION PROCESS AND ELIGIBILITY.—

(1) APPLICATION.—A long-term unemployed individual who desires a loan under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(2) LIMITED ELIGIBILITY.—A long-term unemployed individual may receive only 1 loan under this section.

(c) LOAN TERMS.—A loan issued under this section to a long-term unemployed individual shall be—

(1) in an amount of $10,000 or less; and

(2) evidenced by a note or other written agreement that—

(A) provides for repayment of the principal amount of the loan in installments over a 10-year period beginning on the date on which the loan is issued, except that no installments shall be required for the first year of the loan period;

(B) provides for interest to be calculated and accrue on the loan at the rate determined under subsection (d); and

(C) allows such individual to accelerate, without penalty, the repayment of the whole or any part of the loan.

(d) INTEREST RATE.—The interest rate for a loan issued under this section shall—

(1) be the rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to the date on which the loan is issued; and

(2) be a fixed interest rate for the period of the loan.

(e) LOAN FORGIVENESS.—Notwithstanding subsection (c)(2)(A), the Secretary may forgive the remaining amount of interest and principal due on a loan made under this section to a long-term unemployed individual for the purpose described in subsection (a)(1) in any case where the new job for which the individual relocates is eliminated within the first year of the individual's employment through no fault of the individual.

(f) DEFINITIONS.—In this section:

(1) INITIAL RESIDENCE.—The term ''initial residence'', when used with respect to a long-term individual applying for a loan under this section, means the location where the individual resides as of the day before the loan is issued.

(2) LONG-TERM UNEMPLOYED INDIVIDUAL.—The term ''long-term unemployed individual'' means an individual who resides in a State and who has been unemployed for 27 consecutive weeks or more, as determined by the Secretary.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(4) STATES.—The term ''State'' means each of the several States of the United States and the District of Columbia.

(g) LIMITED AUTHORITY.—The Secretary's authority to issue loans under subsection (a) shall terminate on the earlier of—

(1) the date that is 2 years after the date of enactment of this Act; or

(2) the date that is 1 month after the date on which the Secretary determines that the total number of long-term unemployed individuals in the United States is less than 2,000,000.

TITLE IV—SUPPORTING KNOWLEDGE AND INVESTING IN LIFELONG SKILLS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Supporting Knowledge and Investing in Lifelong Skills Act'' or the ''SKILLS Act''.

SEC. 402. REFERENCES.

Except as otherwise expressly provided, wherever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

SEC. 403. APPLICATION TO FISCAL YEARS.

Except as otherwise provided, this title and the amendments made by this title shall apply with respect to fiscal year 2015 and succeeding fiscal years.

Subtitle A—Amendment to the Workforce Investment Act of 1998

CHAPTER 1—WORKFORCE INVESTMENT DEFINITIONS

SEC. 406. DEFINITIONS.

Section 101 (29 U.S.C. 2801) is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) ADULT EDUCATION AND FAMILY LITERACY EDUCATION ACTIVITIES.—The term 'adult education and family literacy education activities' has the meaning given the term in section 203.'';

(2) by striking paragraphs (13) and (24);

(3) by redesignating paragraphs (1) through (12) as paragraphs (3) through (14), and paragraphs (14) through (23) as paragraphs (15) through (24), respectively;

(4) by striking paragraphs (52) and (53);

(5) by inserting after ''In this title:'' the following new paragraphs:

''(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' means—

''(A) charges incurred by recipients of funds under this title for a given period requiring the provision of funds for goods or other tangible property received;

''(B) charges incurred for services performed by employees, contractors, subgrantees, subcontractors, and other payees; and

''(C) other amounts becoming owed, under programs assisted under this title, for which no current services or performance is required, such as amounts for annuities, insurance claims, and other benefit payments.

''(2) ADMINISTRATIVE COSTS.—The term 'administrative costs' means expenditures incurred by State boards and local boards, direct recipients (including State grant recipients under subtitle B and recipients of awards under subtitles C and D), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under this title that are not related to the direct provision of workforce investment activities (including services to participants and employers). Such costs include both personnel and nonpersonnel expenditures and both direct and indirect expenditures.'';

(6) in paragraph (3) (as so redesignated), by striking ''Except in sections 127 and 132, the'' and inserting ''The'';

(7) by amending paragraph (5) (as so redesignated) to read as follows:

''(5) AREA CAREER AND TECHNICAL EDUCATION SCHOOL.—The term 'area career and technical education school' has the meaning given the term in section 3(3) of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302(3)).'';

(8) in paragraph (6) (as so redesignated), by inserting ''(or such other level as the Governor may establish)'' after ''8th grade level'';

(9) in paragraph (10)(C) (as so redesignated), by striking ''not less than 50 percent of the cost of the training'' and inserting ''a significant portion of the cost of training, as determined by the local board involved (or, in the case of an employer in multiple local areas in the State, as determined by the Governor), taking into account the size of the employer and such other factors as the local board or Governor, respectively, determines to be appropriate'';

(10) in paragraph (11) (as so redesignated)—

(A) in subparagraph (A)(ii)(II), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(B) in subparagraph (B)(iii)—

(i) by striking ''134(d)(4)'' and inserting ''134(c)(4)''; and

(ii) by striking ''intensive services described in section 134(d)(3)'' and inserting ''work ready services described in section 134(c)(2)'';

(C) in subparagraph (C), by striking ''or'' after the semicolon;

(D) in subparagraph (D), by striking the period and inserting ''; or''; and

(E) by adding at the end the following:

''(E)(i) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) who has experienced a loss of employment as a direct result of relocation to accommodate a permanent change in duty station of such member; or

''(ii) is the spouse of a member of the Armed Forces on active duty (as defined in section 101(d)(1) of title 10, United States Code) who meets the criteria described in paragraph (12)(B).'';

(11) in paragraph (12)(A) (as redesignated)—

(A) by striking ''and'' after the semicolon and inserting ''or'';

(B) by striking ''(A)'' and inserting ''(A)(i)''; and

(C) by adding at the end the following:

''(ii) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) whose family income is significantly reduced because of a deployment (as defined in section 991(b) of title 10, United States Code, or pursuant to paragraph (4) of such section), a call or order to active duty pursuant to a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, a permanent change of station, or the service-connected (as defined in section 101(16) of title 38, United States Code) death or disability of the member; and'';

(12) in paragraph (13) (as so redesignated), by inserting ''or regional'' after ''local'' each place it appears;

(13) in paragraph (14) (as so redesignated)—

(A) in subparagraph (A), by striking ''section 122(e)(3)'' and inserting ''section 122'';

(B) by striking subparagraph (B), and inserting the following:

''(B) work ready services, means a provider who is identified or awarded a contract as described in section 117(d)(5)(C); or'';

(C) by striking subparagraph (C); and

(D) by redesignating subparagraph (D) as subparagraph (C);

(14) in paragraph (15) (as so redesignated), by striking ''adult or dislocated worker'' and inserting ''individual'';

(15) in paragraph (20), by striking ''The'' and inserting ''Subject to section 116(a)(1)(E), the'';

(16) in paragraph (25)—

(A) in subparagraph (B), by striking ''higher of—'' and all that follows through clause (ii) and inserting ''poverty line for an equivalent period;'';

(B) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(C) by inserting after subparagraph (C) the following:

''(D) receives or is eligible to receive a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);'';

(17) in paragraph (32), by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia,'';

(18) by amending paragraph (33) to read as follows:

''(33) OUT-OF-SCHOOL YOUTH.—The term 'out-of-school youth' means—

''(A) an at-risk youth who is a school dropout; or

''(B) an at-risk youth who has received a secondary school diploma or its recognized equivalent but is basic skills deficient, unemployed, or underemployed.'';

(19) in paragraph (38), by striking ''134(a)(1)(A)'' and inserting ''134(a)(1)(B)'';

(20) in paragraph (41), by striking '', and the term means such Secretary for purposes of section 503'';

(21) in paragraph (43), by striking ''clause (iii) or (v) of section 136(b)(3)(A)'' and inserting ''section 136(b)(3)(A)(iii)'';

(22) by amending paragraph (49) to read as follows:

''(49) VETERAN.—The term 'veteran' has the same meaning given the term in section 2108(1) of title 5, United States Code.'';

(23) by amending paragraph (50) to read as follows:

''(50) CAREER AND TECHNICAL EDUCATION.—The term 'career and technical education' has the meaning given the term in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302).'';

(24) in paragraph (51), by striking '', and a youth activity''; and

(25) by adding at the end the following:

''(52) AT-RISK YOUTH.—Except as provided in subtitle C, the term 'at-risk youth' means an individual who—

''(A) is not less than age 16 and not more than age 24;

''(B) is a low-income individual; and

''(C) is an individual who is one or more of the following:

''(i) A secondary school dropout.

''(ii) A youth in foster care (including youth aging out of foster care).

''(iii) A youth offender.

''(iv) A youth who is an individual with a disability.

''(v) A migrant youth.

''(53) INDUSTRY OR SECTOR PARTNERSHIP.—The term 'industry or sector partnership' means a partnership of—

''(A) a State board or local board; and

''(B) one or more industry or sector organizations, and other entities, that have the capability to help the State board or local board determine the immediate and long-term skilled workforce needs of in-demand industries or sectors and other occupations important to the State or local economy, respectively.

''(54) INDUSTRY-RECOGNIZED CREDENTIAL.—The term 'industry-recognized credential' means a credential that is sought or accepted by companies within the industry sector involved, across multiple States, as recognized, preferred, or required for recruitment, screening, or hiring and is awarded for completion of a program listed or identified under subsection (d) or (i) of section 122, for the local area involved.

''(55) PAY-FOR-PERFORMANCE CONTRACT STRATEGY.—The term 'pay-for-performance contract strategy' means a strategy in which a pay-for-performance contract to provide a program of employment and training activities incorporates provisions regarding—

''(A) the core indicators of performance described in subclauses (I) through (IV) and (VI) of section 136(b)(2)(A)(i);

''(B) a fixed amount that will be paid to an eligible provider of such employment and training activities for each program participant who, within a defined timetable, achieves the agreed-to levels of performance based upon the core indicators of performance described in subparagraph (A), and may include a bonus payment to such provider, which may be used to expand the capacity of such provider;

''(C) the ability for an eligible provider to recoup the costs of providing the activities for a program participant who has not achieved those levels, but for whom the provider is able to demonstrate that such participant gained specific competencies required for education and career advancement that are, where feasible, tied to industry-recognized credentials and related standards, or State licensing requirements; and

''(D) the ability for an eligible provider that does not meet the requirements under section 122(a)(2) to participate in such pay-for-performance contract and to not be required to report on the performance and cost information required under section 122(d).

''(56) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term 'recognized postsecondary credential' means a credential awarded by a provider of training services or postsecondary educational institution based on completion of all requirements for a program of study, including coursework or tests or other performance evaluations. The term means an industry-recognized credential, a certificate of completion of a registered apprenticeship program, or an associate or baccalaureate degree from an institution described in section 122(a)(2)(A)(i).

''(57) REGISTERED APPRENTICESHIP PROGRAM.—The term 'registered apprenticeship program' means a program described in section 122(a)(2)(B).''.

CHAPTER 2—STATEWIDE AND LOCAL WORKFORCE INVESTMENT SYSTEMS

SEC. 411. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended by adding at the end the following: ''It is also the purpose of this subtitle to provide workforce investment activities in a manner that enhances employer engagement, promotes customer choices in the selection of training services, and ensures accountability in the use of taxpayer funds.''.

SEC. 412. STATE WORKFORCE INVESTMENT BOARDS.

Section 111 (29 U.S.C. 2821) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking subparagraph (B);

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(iii) in subparagraph (B) (as so redesignated)—

(I) by amending clause (i)(I), by striking ''section 117(b)(2)(A)(i)'' and inserting ''section 117(b)(2)(A)'';

(II) by amending clause (i)(II) to read as follows:

''(II) represent businesses, including large and small businesses, each of which has immediate and long-term employment opportunities in an in-demand industry or other occupation important to the State economy; and'';

(III) by striking clause (iii) and inserting the following:

''(iii) a State agency official responsible for economic development; and'';

(IV) by striking clauses (iv) through (vi);

(V) by amending clause (vii) to read as follows:

''(vii) such other representatives and State agency officials as the Governor may designate, including—

''(I) members of the State legislature;

''(II) representatives of individuals and organizations that have experience with respect to youth activities;

''(III) representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of community colleges and community-based organizations within the State;

''(IV) representatives of the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners; or

''(V) representatives of veterans service organizations.''; and

(VI) by redesignating clause (vii) (as so amended) as clause (iv); and

(B) by amending paragraph (3) to read as follows:

''(3) MAJORITY.—A ⅔ majority of the members of the board shall be representatives described in paragraph (1)(B)(i).'';

(2) in subsection (c), by striking ''(b)(1)(C)(i)'' and inserting ''(b)(1)(B)(i)'';

(3) by amending subsection (d) to read as follows:

''(d) FUNCTIONS.—The State board shall assist the Governor of the State as follows:

''(1) STATE PLAN.—Consistent with section 112, the State board shall develop a State plan.

''(2) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—The State board shall review and develop statewide policies and programs in the State in a manner that supports a comprehensive statewide workforce development system that will result in meeting the workforce needs of the State and its local areas. Such review shall include determining whether the State should consolidate additional amounts for additional activities or programs into the Workforce Investment Fund in accordance with section 501(e).

''(3) WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.—The State board shall develop a statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491–2(e)), which may include using information collected under Federal law other than this Act by the State economic development entity or a related entity in developing such system.

''(4) EMPLOYER ENGAGEMENT.—The State board shall develop strategies, across local areas, that meet the needs of employers and support economic growth in the State by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

''(5) DESIGNATION OF LOCAL AREAS.—The State board shall designate local areas as required under section 116.

''(6) ONE-STOP DELIVERY SYSTEM.—The State board shall identify and disseminate information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies.

''(7) PROGRAM OVERSIGHT.—The State board shall conduct the following program oversight:

''(A) Reviewing and approving local plans under section 118.

''(B) Ensuring the appropriate use and management of the funds provided for State employment and training activities authorized under section 134.

''(C) Preparing an annual report to the Secretary described in section 136(d).

''(8) DEVELOPMENT OF PERFORMANCE MEASURES.—The State board shall develop and ensure continuous improvement of comprehensive State performance measures, including State adjusted levels of performance, as described under section 136(b).'';

(4) by striking subsection (e) and redesignating subsection (f) as subsection (e);

(5) in subsection (e) (as so redesignated), by inserting ''or participate in any action taken'' after ''vote'';

(6) by inserting after subsection (e) (as so redesignated), the following:

''(f) STAFF.—The State board may employ staff to assist in carrying out the functions described in subsection (d).''; and

(7) in subsection (g), by inserting ''electronic means and'' after ''on a regular basis through''.

SEC. 413. STATE PLAN.

Section 112 (29 U.S.C. 2822)—

(1) in subsection (a)—

(A) by striking ''127 or''; and

(B) by striking ''5-year strategy'' and inserting ''3-year strategy'';

(2) in subsection (b)—

(A) by amending paragraph (4) to read as follows:

''(4) information describing—

''(A) the economic conditions in the State;

''(B) the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the State economy;

''(C) the knowledge and skills of the workforce in the State; and

''(D) workforce development activities (including education and training) in the State;'';

(B) by amending paragraph (7) to read as follows:

''(7) a description of the State criteria for determining the eligibility of training services providers in accordance with section 122, including how the State will take into account the performance of providers and whether the training services relate to in-demand industries and other occupations important to the State economy;'';

(C) by amending paragraph (8) to read as follows:

''(8)(A) a description of the procedures that will be taken by the State to assure coordination of, and avoid duplication among, the programs and activities identified under section 501(b)(2); and

''(B) a description of and an assurance regarding common data collection and reporting processes used for the programs and activities described in subparagraph (A), which are carried out by one-stop partners, including—

''(i) an assurance that such processes use quarterly wage records for performance measures described in section 136(b)(2)(A) that are applicable to such programs or activities; or

''(ii) if such wage records are not being used for the performance measures, an identification of the barriers to using such wage records and a description of how the State will address such barriers within 1 year of the approval of the plan;'';

(D) in paragraph (9), by striking '', including comment by representatives of businesses and representatives of labor organizations,'';

(E) in paragraph (11), by striking ''under sections 127 and 132'' and inserting ''under section 132'';

(F) by striking paragraph (12);

(G) by redesignating paragraphs (13) through (18) as paragraphs (12) through (17), respectively;

(H) in paragraph (12) (as so redesignated), by striking ''111(f)'' and inserting ''111(e)'';

(I) in paragraph (13) (as so redesignated), by striking ''134(c)'' and inserting ''121(e)'';

(J) in paragraph (14) (as so redesignated), by striking ''116(a)(5)'' and inserting ''116(a)(3)'';

(K) in paragraph (16) (as so redesignated)—

(i) in subparagraph (A)—

(I) in clause (ii)—

(aa) by striking ''to dislocated workers''; and

(bb) by inserting ''and additional assistance'' after ''rapid response activities'';

(II) in clause (iii), by striking ''134(d)(4)'' and inserting ''134(c)(4)'';

(III) by striking ''and'' at the end of clause (iii);

(IV) by amending clause (iv) to read as follows:

''(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as supplemental nutrition assistance program benefits pursuant to the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.)), long-term unemployed individuals (including individuals who have exhausted entitlement to Federal and State unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including out-of-school youth and at-risk youth), older workers, ex-offenders, migrant and seasonal farmworkers, refugees and entrants, veterans (including disabled and homeless veterans), and Native Americans; and''; and

(V) by adding at the end the following new clause:

''(v) how the State will—

''(I) consistent with section 188 and Executive Order No. 13217 (42 U.S.C. 12131 note), serve the employment and training needs of individuals with disabilities; and

''(II) consistent with sections 504 and 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794, 794d), include the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility for individuals with disabilities to programs and services under this subtitle;''; and

(ii) in subparagraph (B), by striking ''to the extent practicable'' and inserting ''in accordance with the requirements of the Jobs for Veterans Act (Public Law 107–288) and the amendments made by such Act''; and

(L) by striking paragraph (17) (as so redesignated) and inserting the following:

''(17) a description of the strategies and services that will be used in the State—

''(A) to more fully engage employers, including small businesses and employers in in-demand industries and occupations important to the State economy;

''(B) to meet the needs of employers in the State; and

''(C) to better coordinate workforce development programs with economic development activities;

''(18) a description of how the State board will convene (or help to convene) industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across a targeted cluster of multiple firms for a range of workers employed or potentially employed by the industry or sector—

''(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in the industry or sector;

''(B) to address the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the State economy; and

''(C) to address critical skill gaps within and across industries and sectors;

''(19) a description of how the State will utilize technology, to facilitate access to services in remote areas, which may be used throughout the State;

''(20) a description of the State strategy and assistance to be provided by the State for encouraging regional cooperation within the State and across State borders, as appropriate;

''(21) a description of the actions that will be taken by the State to foster communication, coordination, and partnerships with nonprofit organizations (including public libraries, community, faith-based, and philanthropic organizations) that provide employment-related, training, and complementary services, to enhance the quality and comprehensiveness of services available to participants under this title;

''(22) a description of the process and methodology for determining—

''(A) one-stop partner program contributions for the costs of infrastructure of one-stop centers under section 121(h)(1); and

''(B) the formula for allocating such infrastructure funds to local areas under section 121(h)(3);

''(23) a description of the strategies and services that will be used in the State to assist at-risk youth and out-of-school youth in acquiring the education and skills, credentials (including recognized postsecondary credentials, such as industry-recognized credentials), and employment experience to succeed in the labor market, including—

''(A) training and internships in in-demand industries or occupations important to the State and local economy;

''(B) dropout recovery activities that are designed to lead to the attainment of a regular secondary school diploma or its recognized equivalent, or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities); and

''(C) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education and training and career-ladder employment; and

''(24) a description of—

''(A) how the State will furnish employment, training, including training in advanced manufacturing, supportive, and placement services to veterans, including disabled and homeless veterans;

''(B) the strategies and services that will be used in the State to assist in and expedite reintegration of homeless veterans into the labor force; and

''(C) the veterans population to be served in the State.'';

(3) in subsection (c), by striking ''period, that—'' and all that follows through paragraph (2) and inserting ''period, that the plan is inconsistent with the provisions of this title.''; and

(4) in subsection (d), by striking ''5-year'' and inserting ''3-year''.

SEC. 414. LOCAL WORKFORCE INVESTMENT AREAS.

Section 116 (29 U.S.C. 2831) is amended—

(1) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

''(1) IN GENERAL.—

''(A) PROCESS.—In order to receive an allotment under section 132, a State, through the State board, shall establish a process to designate local workforce investment areas within the State. Such process shall—

''(i) support the statewide workforce development system developed under section 111(d)(2), enabling the system to meet the workforce needs of the State and its local areas;

''(ii) include consultation, prior to the designation, with chief elected officials;

''(iii) include consideration of comments received on the designation through the public comment process as described in section 112(b)(9); and

''(iv) require the submission of an application for approval under subparagraph (B).

''(B) APPLICATION.—To obtain designation of a local area under this paragraph, a local or regional board (or consortia of local or regional boards) seeking to take responsibility for the area under this Act shall submit an application to a State board at such time, in such manner, and containing such information as the State board may require, including—

''(i) a description of the local area, including the population that will be served by the local area, and the education and training needs of its employers and workers;

''(ii) a description of how the local area is consistent or aligned with—

''(I) service delivery areas (as determined by the State);

''(II) labor market areas; and

''(III) economic development regions;

''(iii) a description of the eligible providers of education and training, including postsecondary educational institutions such as community colleges, located in the local area and available to meet the needs of the local workforce;

''(iv) a description of the distance that individuals will need to travel to receive services provided in such local area; and

''(v) any other criteria that the State board may require.

''(C) PRIORITY.—In designating local areas under this paragraph, a State board shall give priority consideration to an area proposed by an applicant demonstrating that a designation as a local area under this paragraph will result in the reduction of overlapping service delivery areas, local market areas, or economic development regions.

''(D) ALIGNMENT WITH LOCAL PLAN.—A State may designate an area proposed by an applicant as a local area under this paragraph for a period not to exceed 3 years.

''(E) REFERENCES.—For purposes of this Act, a reference to a local area—

''(i) used with respect to a geographic area, refers to an area designated under this paragraph; and

''(ii) used with respect to an entity, refers to the applicant.'';

(B) by amending paragraph (2) to read as follows:

''(2) TECHNICAL ASSISTANCE.—The Secretary shall, if requested by the Governor of a State, provide the State with technical assistance in making the determinations required under paragraph (1). The Secretary shall not issue regulations governing determinations to be made under paragraph (1).'';

(C) by striking paragraph (3);

(D) by striking paragraph (4);

(E) by redesignating paragraph (5) as paragraph (3); and

(F) in paragraph (3) (as so redesignated), by striking ''(2) or (3)'' both places it appears and inserting ''(1)'';

(2) by amending subsection (b) to read as follows:

''(b) SINGLE STATES.—Consistent with subsection (a), the State board of a State may designate the State as a single State local area for the purposes of this title.''; and

(3) in subsection (c)—

(A) in paragraph (1), by adding at the end the following: ''The State may require the local boards for the designated region to prepare a single regional plan that incorporates the elements of the local plan under section 118 and that is submitted and approved in lieu of separate local plans under such section.''; and

(B) in paragraph (2), by striking ''employment statistics'' and inserting ''workforce and labor market information''.

SEC. 415. LOCAL WORKFORCE INVESTMENT BOARDS.

Section 117 (29 U.S.C. 2832) is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking ''include—'' and all that follows through ''representatives'' and inserting ''include representatives'';

(II) by striking clauses (ii) through (vi);

(III) by redesignating subclauses (I) through (III) as clauses (i) through (iii), respectively (and by moving the margins of such clauses 2 ems to the left);

(IV) by striking clause (ii) (as so redesignated) and inserting the following:

''(ii) represent businesses, including large and small businesses, each of which has immediate and long-term employment opportunities in an in-demand industry or other occupation important to the local economy; and''; and

(V) by striking the semicolon at the end of clause (iii) (as so redesignated) and inserting ''; and''; and

(ii) by amending subparagraph (B) to read as follows:

''(B) may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate, including—

''(i) the superintendent or other employee of the local educational agency who has primary responsibility for secondary education, the presidents or chief executive officers of postsecondary educational institutions (including a community college, where such an entity exists), or administrators of local entities providing adult education and family literacy education activities;

''(ii) representatives of community-based organizations (including organizations representing individuals with disabilities and veterans, for a local area in which such organizations are present); or

''(iii) representatives of veterans service organizations.'';

(B) in paragraph (4)—

(i) by striking ''A majority'' and inserting ''A ⅔ majority''; and

(ii) by striking ''(2)(A)(i)'' and inserting ''(2)(A)''; and

(C) in paragraph (5), by striking ''(2)(A)(i)'' and inserting ''(2)(A)'';

(2) in subsection (c)—

(A) in paragraph (1), by striking subparagraph (C); and

(B) in paragraph (3)(A)(ii), by striking ''paragraphs (1) through (7)'' and inserting ''paragraphs (1) through (8)'';

(3) by amending subsection (d) to read as follows:

''(d) FUNCTIONS OF LOCAL BOARD.—The functions of the local board shall include the following:

''(1) LOCAL PLAN.—Consistent with section 118, each local board, in partnership with the chief elected official for the local area involved, shall develop and submit a local plan to the Governor.

''(2) WORKFORCE RESEARCH AND REGIONAL LABOR MARKET ANALYSIS.—

''(A) IN GENERAL.—The local board shall—

''(i) conduct, and regularly update, an analysis of—

''(I) the economic conditions in the local area;

''(II) the immediate and long-term skilled workforce needs of in-demand industries and other occupations important to the local economy;

''(III) the knowledge and skills of the workforce in the local area; and

''(IV) workforce development activities (including education and training) in the local area; and

''(ii) assist the Governor in developing the statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491–2(e)).

''(B) EXISTING ANALYSIS.—In carrying out requirements of subparagraph (A)(i), a local board shall use an existing analysis, if any, by the local economic development entity or related entity.

''(3) EMPLOYER ENGAGEMENT.—The local board shall meet the needs of employers and support economic growth in the local area by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

''(4) BUDGET AND ADMINISTRATION.—

''(A) BUDGET.—

''(i) IN GENERAL.—The local board shall develop a budget for the activities of the local board in the local area, consistent with the requirements of this subsection.

''(ii) TRAINING RESERVATION.—In developing a budget under clause (i), the local board shall reserve a percentage of funds to carry out the activities specified in section 134(c)(4). The local board shall use the analysis conducted under paragraph (2)(A)(i) to determine the appropriate percentage of funds to reserve under this clause.

''(B) ADMINISTRATION.—

''(i) GRANT RECIPIENT.—The chief elected official in a local area shall serve as the local grant recipient for, and shall be liable for any misuse of, the grant funds allocated to the local area under section 133, unless the chief elected official reaches an agreement with the Governor for the Governor to act as the local grant recipient and bear such liability.

''(ii) DESIGNATION.—In order to assist in administration of the grant funds, the chief elected official or the Governor, where the Governor serves as the local grant recipient for a local area, may designate an entity to serve as a local grant subrecipient for such funds or as a local fiscal agent. Such designation shall not relieve the chief elected official or the Governor of the liability for any misuse of grant funds as described in clause (i).

''(iii) DISBURSAL.—The local grant recipient or an entity designated under clause (ii) shall disburse the grant funds for workforce investment activities at the direction of the local board, pursuant to the requirements of this title. The local grant recipient or entity designated under clause (ii) shall disburse the funds immediately on receiving such direction from the local board.

''(C) STAFF.—The local board may employ staff to assist in carrying out the functions described in this subsection.

''(D) GRANTS AND DONATIONS.—The local board may solicit and accept grants and donations from sources other than Federal funds made available under this Act.

''(5) SELECTION OF OPERATORS AND PROVIDERS.—

''(A) SELECTION OF ONE-STOP OPERATORS.—Consistent with section 121(d), the local board, with the agreement of the chief elected official—

''(i) shall designate or certify one-stop operators as described in section 121(d)(2)(A); and

''(ii) may terminate for cause the eligibility of such operators.

''(B) IDENTIFICATION OF ELIGIBLE TRAINING SERVICE PROVIDERS.—Consistent with this subtitle, the local board shall identify eligible providers of training services described in section 134(c)(4) in the local area, annually review the outcomes of such eligible providers using the criteria under section 122(b)(2), and designate such eligible providers in the local area who have demonstrated the highest level of success with respect to such criteria as priority eligible providers for the program year following the review.

''(C) IDENTIFICATION OF ELIGIBLE PROVIDERS OF WORK READY SERVICES.—If the one-stop operator does not provide the services described in section 134(c)(2) in the local area,

the local board shall identify eligible providers of such services in the local area by awarding contracts.

''(6) PROGRAM OVERSIGHT.—The local board, in partnership with the chief elected official, shall be responsible for—

''(A) ensuring the appropriate use and management of the funds provided for local employment and training activities authorized under section 134(b); and

''(B) conducting oversight of the one-stop delivery system, in the local area, authorized under section 121.

''(7) NEGOTIATION OF LOCAL PERFORMANCE MEASURES.—The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local performance measures as described in section 136(c).

''(8) TECHNOLOGY IMPROVEMENTS.—The local board shall develop strategies for technology improvements to facilitate access to services authorized under this subtitle and carried out in the local area, including access in remote areas.'';

(4) in subsection (e)—

(A) by inserting ''electronic means and'' after ''regular basis through''; and

(B) by striking ''and the award of grants or contracts to eligible providers of youth activities,'';

(5) in subsection (f)—

(A) in paragraph (1)(A), by striking ''section 134(d)(4)'' and inserting ''section 134(c)(4)''; and

(B) by striking paragraph (2) and inserting the following:

''(2) WORK READY SERVICES; DESIGNATION OR CERTIFICATION AS ONE-STOP OPERATORS.—A local board may provide work ready services described in section 134(c)(2) through a one-stop delivery system described in section 121 or be designated or certified as a one-stop operator only with the agreement of the chief elected official and the Governor.'';

(6) in subsection (g)(1), by inserting ''or participate in any action taken'' after ''vote''; and

(7) by striking subsections (h) and (i).

SEC. 416. LOCAL PLAN.

Section 118 (29 U.S.C. 2833) is amended—

(1) in subsection (a), by striking ''5-year'' and inserting ''3-year'';

(2) by amending subsection (b) to read as follows:

''(b) CONTENTS.—The local plan shall include—

''(1) a description of the analysis of the local area's economic and workforce conditions conducted under subclauses (I) through (IV) of section 117(d)(2)(A)(i), and an assurance that the local board will use such analysis to carry out the activities under this subtitle;

''(2) a description of the one-stop delivery system in the local area, including—

''(A) a description of how the local board will ensure—

''(i) the continuous improvement of eligible providers of services through the system; and

''(ii) that such providers meet the employment needs of local businesses and participants; and

''(B) a description of how the local board will facilitate access to services described in section 117(d)(8) and provided through the one-stop delivery system consistent with section 117(d)(8);

''(3) a description of the strategies and services that will be used in the local area—

''(A) to more fully engage employers, including small businesses and employers in in-demand industries and occupations important to the local economy;

''(B) to meet the needs of employers in the local area;

''(C) to better coordinate workforce development programs with economic development activities; and

''(D) to better coordinate workforce development programs with employment, training, and literacy services carried out by nonprofit organizations, including public libraries, as appropriate;

''(4) a description of how the local board will convene (or help to convene) industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across multiple firms for a range of workers employed or potentially employed by a targeted industry or sector—

''(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in the targeted industry or sector;

''(B) to address the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the local economy; and

''(C) to address critical skill gaps within and across industries and sectors;

''(5) a description of how the funds reserved under section 117(d)(4)(A)(ii) will be used to carry out activities described in section 134(c)(4);

''(6) a description of how the local board will coordinate workforce investment activities carried out in the local area with statewide workforce investment activities, as appropriate;

''(7) a description of how the local area will—

''(A) coordinate activities with the local area's disability community, and with transition services (as defined under section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401)) provided under that Act by local educational agencies serving such local area, to make available comprehensive, high-quality services to individuals with disabilities;

''(B) consistent with section 188 and Executive Order No. 13217 (42 U.S.C. 12131 note), serve the employment and training needs of individuals with disabilities, with a focus on employment that fosters independence and integration into the workplace; and

''(C) consistent with sections 504 and 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794, 794d), include the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility for individuals with disabilities to programs and services under this subtitle;

''(8) a description of the local levels of performance negotiated with the Governor and chief elected official pursuant to section 136(c), to be—

''(A) used to measure the performance of the local area; and

''(B) used by the local board for measuring performance of the local fiscal agent (where appropriate), eligible providers, and the one-stop delivery system, in the local area;

''(9) a description of the process used by the local board, consistent with subsection (c), to provide an opportunity for public comment prior to submission of the plan;

''(10) a description of how the local area will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as supplemental nutrition assistance program benefits pursuant to the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.)), long-term unemployed individuals (including individuals who have exhausted entitlement to Federal and State unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including out-of-school youth and at-risk youth), older workers, ex-offenders, migrant and seasonal farmworkers, refugees and entrants, veterans (including disabled veterans and homeless veterans), and Native Americans;

''(11) an identification of the entity responsible for the disbursal of grant funds described in section 117(d)(4)(B)(iii), as determined by the chief elected official or the Governor under such section;

''(12) a description of the strategies and services that will be used in the local area to assist at-risk youth and out-of-school youth in acquiring the education and skills, credentials (including recognized postsecondary credentials, such as industry-recognized credentials), and employment experience to succeed in the labor market, including—

''(A) training and internships in in-demand industries or occupations important to the local economy;

''(B) dropout recovery activities that are designed to lead to the attainment of a regular secondary school diploma or its recognized equivalent, or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities); and

''(C) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education and training and career-ladder employment;

''(13) a description of—

''(A) how the local area will furnish employment, training, including training in advanced manufacturing, supportive, and placement services to veterans, including disabled and homeless veterans;

''(B) the strategies and services that will be used in the local area to assist in and expedite reintegration of homeless veterans into the labor force; and

''(C) the veteran population to be served in the local area;

''(14) a description of—

''(A) the duties assigned to the veteran employment specialist consistent with the requirements of section 134(f);

''(B) the manner in which the veteran employment specialist is integrated into the one-stop career system described in section 121;

''(C) the date on which the veteran employment specialist was assigned; and

''(D) whether the veteran employment specialist has satisfactorily completed related training by the National Veterans' Employment and Training Services Institute; and

''(15) such other information as the Governor may require.''; and

(3) in subsection (c)—

(A) in paragraph (1), by striking ''such means'' and inserting ''electronic means and such means''; and

(B) in paragraph (2), by striking '', including representatives of business and representatives of labor organizations,''.

SEC. 417. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.

Section 121 (29 U.S.C. 2841) is amended—

(1) in subsection (b)—

(A) by striking subparagraph (A) of paragraph (1) and inserting the following:

''(A) ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.—Each entity that carries out a program or activities described in subparagraph (B) shall—

''(i) provide access through a one-stop delivery system to the program or activities carried out by the entity, including making the work ready services described in section 134(c)(2) that are applicable to the program or activities of the entity available at one-stop centers (in addition to any other appropriate locations);

''(ii) use a portion of the funds available to the program or activities of the entity to

maintain the one-stop delivery system, including payment of the costs of infrastructure of one-stop centers in accordance with subsection (h);

''(iii) enter into a local memorandum of understanding with the local board, relating to the operation of the one-stop delivery system, that meets the requirements of subsection (c); and

''(iv) participate in the operation of the one-stop delivery system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the program or activities carried out by the entity.'';

(B) in paragraph (1)(B)—

(i) by striking clauses (ii), (v), and (vi);

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;

(iii) by redesignating clauses (vii) through (xii) as clauses (iv) through (ix), respectively;

(iv) in clause (ii), as so redesignated, by striking ''adult education and literacy activities'' and inserting ''adult education and family literacy education activities''

(v) in clause (viii), as so redesignated, by striking ''and'' at the end;

(vi) in clause (ix), as so redesignated, by striking the period and inserting ''; and''; and

(vii) by adding at the end the following:

''(x) subject to subparagraph (C), programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).'';

(C) by inserting after paragraph (1)(B) the following:

''(C) DETERMINATION BY THE GOVERNOR.—Each entity carrying out a program described in subparagraph (B)(x) shall be considered to be a one-stop partner under this title and carry out the required partner activities described in subparagraph (A) unless the Governor of the State in which the local area is located provides the Secretary and Secretary of Health and Human Services written notice of a determination by the Governor that such an entity shall not be considered to be such a partner and shall not carry out such required partner activities.''; and

(D) in paragraph (2)—

(i) in subparagraph (A)(i), by striking ''section 134(d)(2)'' and inserting ''section 134(c)(2)''; and

(ii) in subparagraph (B)—

(I) by striking clauses (i), (ii), and (v);

(II) in clause (iv), by striking ''and'' at the end;

(III) by redesignating clauses (iii) and (iv) as clauses (i) and (ii), respectively; and

(IV) by adding at the end the following:

''(iii) employment and training programs administered by the Commissioner of the Social Security Administration;

''(iv) employment and training programs carried out by the Administrator of the Small Business Administration;

''(v) employment, training, and literacy services carried out by public libraries; and

''(vi) other appropriate Federal, State, or local programs, including programs in the private sector.'';

(2) in subsection (c)(2), by amending subparagraph (A) to read as follows:

''(A) provisions describing—

''(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

''(ii) how the costs of such services and the operating costs of such system will be funded, through cash and in-kind contributions, to provide a stable and equitable funding stream for ongoing one-stop system operations, including the funding of the costs of infrastructure of one-stop centers in accordance with subsection (h);

''(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities, including referrals for training for nontraditional employment; and

''(iv) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 3-year period to ensure appropriate funding and delivery of services under the memorandum; and'';

(3) in subsection (d)—

(A) in the heading for paragraph (1), by striking ''DESIGNATION AND CERTIFICATION'' and inserting ''LOCAL DESIGNATION AND CERTIFICATION'';

(B) in paragraph (2)—

(i) by striking ''section 134(c)'' and inserting ''subsection (e)'';

(ii) by amending subparagraph (A) to read as follows:

''(A) shall be designated or certified as a one-stop operator through a competitive process; and''; and

(iii) in subparagraph (B), by striking clause (ii) and redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively; and

(C) in paragraph (3), by striking ''vocational'' and inserting ''career and technical'';

(4) by amending subsection (e) to read as follows:

''(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.—

''(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 132(b) a one-stop delivery system, which shall—

''(A) provide the work ready services described in section 134(c)(2);

''(B) provide access to training services as described in paragraph (4) of section 134(c), including serving as the point of access to career enhancement accounts for training services to participants in accordance with paragraph (4)(F) of such section;

''(C) provide access to the activities carried out under section 134(d), if any;

''(D) provide access to programs and activities carried out by one-stop partners that are described in subsection (b); and

''(E) provide access to the data and information described in subparagraphs (A) and (B) of section 15(a)(1) of the Wagner-Peyser Act (29 U.S.C. 491–2(a)(1)).

''(2) ONE-STOP DELIVERY.—At a minimum, the one-stop delivery system—

''(A) shall make each of the programs, services, and activities described in paragraph (1) accessible at not less than one physical center in each local area of the State; and

''(B) may also make programs, services, and activities described in paragraph (1) available—

''(i) through a network of affiliated sites that can provide one or more of the programs, services, and activities to individuals; and

''(ii) through a network of eligible one-stop partners—

''(I) in which each partner provides one or more of the programs, services, and activities to such individuals and is accessible at an affiliated site that consists of a physical location or an electronically- or technologically-linked access point; and

''(II) that assures individuals that information on the availability of the work ready services will be available regardless of where the individuals initially enter the statewide workforce investment system, including information made available through an access point described in subclause (I).

''(3) SPECIALIZED CENTERS.—The centers and sites described in paragraph (2) may have a specialization in addressing special needs.''; and

(5) by adding at the end the following:

''(g) CERTIFICATION OF ONE-STOP CENTERS.—

''(1) IN GENERAL.—

''(A) IN GENERAL.—The State board shall establish objective procedures and criteria for certifying, at least once every 3 years, one-stop centers for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

''(B) CRITERIA.—The criteria for certification of a one-stop center under this subsection shall include—

''(i) meeting the expected levels of performance for each of the corresponding core indicators of performance as outlined in the State plan under section 112;

''(ii) meeting minimum standards relating to the scope and degree of service integration achieved by the center, involving the programs provided by the one-stop partners; and

''(iii) meeting minimum standards relating to how the center ensures that eligible providers meet the employment needs of local employers and participants.

''(C) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure funding authorized under subsection (h).

''(2) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop, for certification referred to in paragraph (1)(A), additional criteria or higher standards on the criteria referred to in paragraph (1)(B) to respond to local labor market and demographic conditions and trends.

''(h) ONE-STOP INFRASTRUCTURE FUNDING.—

''(1) PARTNER CONTRIBUTIONS.—

''(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in subsection (b)(2)(B), for a fiscal year shall be provided to the Governor by such partners to carry out this subsection.

''(B) DETERMINATION OF GOVERNOR.—

''(i) IN GENERAL.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers in the State by each such partner, the costs of administration for purposes not related to one-stop centers for each such partner, and other relevant factors described in paragraph (3).

''(ii) SPECIAL RULE.—In those States where the State constitution places policy-making authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and family literacy education activities authorized under title II and for postsecondary career and technical education activities authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), the determination described in clause (i) with respect to the corresponding 2 programs shall be made by the Governor with the appropriate entity or official with such independent policy-making authority.

''(iii) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a procedure for the one-stop partner administering a program described in subsection (b) and subparagraph (A) to appeal a determination regarding the

portion of funds to be provided under this paragraph on the basis that such determination is inconsistent with the requirements described in the State plan for the program or with the requirements of this paragraph. Such procedure shall ensure prompt resolution of the appeal.

''(C) LIMITATIONS.—

''(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by a one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such program that may be used for administration.

''(ii) FEDERAL DIRECT SPENDING PROGRAMS.—

''(I) IN GENERAL.—A program that provides Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide more than the maximum amount determined under subclause (II).

''(II) MAXIMUM AMOUNT.—The maximum amount for the program is the amount that bears the same relationship to the costs referred to in paragraph (2) for the State as the use of the one-stop centers by such program bears to the use of such centers by all one-stop partner programs in the State.

''(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas in accordance with the formula established under paragraph (3) for the purposes of assisting in paying the costs of infrastructure of one-stop centers certified under subsection (g).

''(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds provided under paragraph (1) to local areas. The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in a local area that have been certified, the population served by such centers, and the performance of such centers.

''(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term 'costs of infrastructure' means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities involved, and the costs of utilities and maintenance, and equipment (including assistive technology for individuals with disabilities).

''(i) OTHER FUNDS.—

''(1) IN GENERAL.—In addition to the funds provided under subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in subsection (b)(2)(B), or the noncash resources available under such 2 types of programs, shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds provided under subsection (h), to the extent not inconsistent with the Federal law involved. Such portion shall be used to pay for costs including—

''(A) costs of infrastructure (as defined in subsection (h)) that are in excess of the funds provided under subsection (h);

''(B) common costs that are in addition to the costs of infrastructure (as so defined); and

''(C) the costs of the provision of work ready services applicable to each program.

''(2) DETERMINATION AND STANDARDS.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide standards to facilitate the determination of appropriate allocation of the funds and noncash resources to local areas.''.

SEC. 418. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

''SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

''(a) ELIGIBILITY.—

''(1) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services and be included on the list of eligible providers of training services described in subsection (d).

''(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds and be included on the list, the provider shall be—

''(A) a postsecondary educational institution that—

''(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

''(ii) provides a program that leads to a recognized postsecondary credential;

''(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

''(C) another public or private provider of a program of training services.

''(3) INCLUSION IN LIST OF ELIGIBLE PROVIDERS.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this subsection to be eligible to receive the funds and be included on the list. A provider described in paragraph (2)(B) shall be eligible to receive the funds and be included on the list with respect to programs described in paragraph (2)(B) for so long as the provider remains certified by the Secretary of Labor to carry out the programs.

''(b) CRITERIA.—

''(1) IN GENERAL.—The criteria established by the Governor pursuant to subsection (a) shall take into account—

''(A) the performance of providers of training services with respect to the performance measures described in section 136, measures for other matters for which information is required under paragraph (2), and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle;

''(B) whether the training programs of such providers relate to in-demand industries or occupations important to the local economy;

''(C) the need to ensure access to training services throughout the State, including in rural areas;

''(D) the ability of the providers to offer programs that lead to a recognized postsecondary credential, and the quality of such programs;

''(E) the performance of the providers as reflected in the information such providers are required to report to State agencies with respect to other Federal and State programs (other than the program carried out under this subtitle), including one-stop partner programs; and

''(F) such other factors as the Governor determines are appropriate.

''(2) INFORMATION.—The criteria established by the Governor shall require that a provider of training services submit appropriate, accurate, and timely information to the State for purposes of carrying out subsection (d), with respect to participants receiving training services under this subtitle in the applicable program, including—

''(A) information on recognized postsecondary credentials received by such participants;

''(B) information on costs of attendance for such participants;

''(C) information on the program completion rate for such participants; and

''(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants.

''(3) RENEWAL.—The criteria established by the Governor shall also provide for a review on the criteria every 3 years and renewal of eligibility under this section for providers of training services.

''(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required on the criteria established by the Governor, for purposes of determining the eligibility of providers of training services under this section in the local area involved.

''(5) LIMITATION.—In carrying out the requirements of this subsection, no entity may disclose personally identifiable information regarding a student, including a Social Security number, student identification number, or other identifier, without the prior written consent of the parent or student in compliance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

''(c) PROCEDURES.—The procedures established under subsection (a) shall—

''(1) identify—

''(A) the application process for a provider of training services to become eligible under this section; and

''(B) the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section; and

''(2) establish a process, for a provider of training services to appeal a denial or termination of eligibility under this section, that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

''(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list of providers determined eligible under this section in the State, including information provided under subsection (b)(2) with respect to such providers, is provided to the local boards in the State and is made available to such participants and to members of the public through the one-stop delivery system in the State.

''(e) ENFORCEMENT.—

''(1) IN GENERAL.—The procedures established under this section shall provide the following:

''(A) INTENTIONALLY SUPPLYING INACCURATE INFORMATION.—Upon a determination, by an individual or entity specified in the procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider under this section shall be terminated for a period of time that is not less than 2 years.

''(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the procedures, that a provider of training services substantially violated any requirement under this title, the eligibility

of such provider under this section shall be terminated for a period of time that is not less than 10 years.

''(C) REPAYMENT.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph. For purposes of subparagraph (A), that period shall be considered to be the period beginning on the date on which the inaccurate information described in subparagraph (A) was supplied, and ending on the date of the termination described in subparagraph (A).

''(2) CONSTRUCTION.—Paragraph (1) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

''(f) AGREEMENTS WITH OTHER STATES.—A State may enter into an agreement with another State, on a reciprocal basis, to permit eligible providers of training services to accept career enhancement accounts provided in the other State.

''(g) RECOMMENDATIONS.—In developing the criteria (including requirements for related information) and procedures required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

''(h) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria and procedures, and the list of eligible providers required under this section, the Governor shall provide an opportunity for interested members of the public to submit comments regarding such criteria, procedures, and list.

''(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—

''(1) IN GENERAL.—Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (d).

''(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible under this section, to be providers of the training services involved.''.

SEC. 419. GENERAL AUTHORIZATION.

Chapter 5 of subtitle B of title I is amended—

(1) by striking the heading for chapter 5 and inserting the following: ''**EMPLOYMENT AND TRAINING ACTIVITIES**''; and

(2) in section 131 (29 U.S.C. 2861)—

(A) by striking ''paragraphs (1)(B) and (2)(B) of''; and

(B) by striking ''adults, and dislocated workers,'' and inserting ''individuals''.

SEC. 420. STATE ALLOTMENTS.

Section 132 (29 U.S.C. 2862) is amended—

(1) by amending subsection (a) to read as follows:

''(a) IN GENERAL.—The Secretary shall—

''(1) reserve ½ of 1 percent of the total amount appropriated under section 137 for a fiscal year, of which—

''(A) 50 percent shall be used to provide technical assistance under section 170; and

''(B) 50 percent shall be used for evaluations under section 172;

''(2) reserve 1 percent of the total amount appropriated under section 137 for a fiscal year to make grants to, and enter into contracts or cooperative agreements with Indian tribes, tribal organizations, Alaska Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out employment and training activities;

''(3) reserve not more than 25 percent of the total amount appropriated under section 137 for a fiscal year to carry out the Jobs Corps program under subtitle C;

''(4) reserve not more than 3.5 percent of the total amount appropriated under section 137 for a fiscal year to—

''(A) make grants to State boards or local boards to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations; and

''(B) provide assistance to Governors of States with an area that has suffered an emergency or a major disaster (as such terms are defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) to provide disaster relief employment in the area; and

''(5) from the remaining amount appropriated under section 137 for a fiscal year (after reserving funds under paragraphs (1) through (4)), make allotments in accordance with subsection (b) of this section.''; and

(2) by amending subsection (b) to read as follows:

''(b) WORKFORCE INVESTMENT FUND.—

''(1) RESERVATION FOR OUTLYING AREAS.—

''(A) IN GENERAL.—From the amount made available under subsection (a)(5) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to the outlying areas.

''(B) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this paragraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 108–188) after the date of enactment of the SKILLS Act.

''(2) STATES.—

''(A) IN GENERAL.—After determining the amount to be reserved under paragraph (1), the Secretary shall allot the remainder of the amount referred to in subsection (a)(5) for a fiscal year to the States pursuant to subparagraph (B) for employment and training activities and statewide workforce investment activities.

''(B) FORMULA.—Subject to subparagraphs (C) and (D), of the remainder—

''(i) 25 percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

''(ii) 25 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of such individuals in all States;

''(iii) 25 percent shall be allotted on the basis of the relative number of individuals in each State who have been unemployed for 15 weeks or more, compared to the total number of individuals in all States who have been unemployed for 15 weeks or more; and

''(iv) 25 percent shall be allotted on the basis of the relative number of disadvantaged youth in each State, compared to the total number of disadvantaged youth in all States.

''(C) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for—

''(I) each of fiscal years 2015 through 2017, that is less than 100 percent of the allotment percentage of the State for fiscal year 2013; and

''(II) fiscal year 2018 and each succeeding fiscal year, that is less than 90 percent of the allotment percentage of the State for the fiscal year preceding the fiscal year involved.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment under this paragraph for—

''(I) each of fiscal years 2015 through 2017, that is more than 130 percent of the allotment percentage of the State for fiscal year 2013; and

''(II) fiscal year 2018 and each succeeding fiscal year, that is more than 130 percent of the allotment percentage of the State for the fiscal year preceding the fiscal year involved.

''(D) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (C), the Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than ⅕ of 1 percent of the remainder described in subparagraph (A) for the fiscal year.

''(E) DEFINITIONS.—For the purpose of the formula specified in this paragraph:

''(i) ALLOTMENT PERCENTAGE.—The term 'allotment percentage'—

''(I) used with respect to fiscal year 2013, means the percentage of the amounts allotted to States under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2013, that is received under such provisions by the State involved for fiscal year 2013; and

''(II) used with respect to fiscal year 2017 or a succeeding fiscal year, means the percentage of the amounts allotted to States under this paragraph for the fiscal year, that is received under this paragraph by the State involved for the fiscal year.

''(ii) AREA OF SUBSTANTIAL UNEMPLOYMENT.—The term 'area of substantial unemployment' means any area that is of sufficient size and scope to sustain a program of workforce investment activities carried out under this subtitle and that has an average rate of unemployment of at least 7 percent for the most recent 12 months, as determined by the Secretary. For purposes of this clause, determinations of areas of substantial unemployment shall be made once each fiscal year.

''(iii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is not less than age 16 and not more than age 24 who receives an income, or is a member of a family that receives a total family income, that in relation to family size, does not exceed the higher of—

''(I) the poverty line; or

''(II) 70 percent of the lower living standard income level.

''(iv) INDIVIDUAL.—The term 'individual' means an individual who is age 16 or older.''.

SEC. 421. WITHIN STATE ALLOCATIONS.

Section 133 (29 U.S.C. 2863) is amended—

(1) by amending subsection (a) to read as follows:

''(a) RESERVATIONS FOR STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—

''(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—The Governor of a State shall reserve not more than 15 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to carry out the statewide activities described in section 134(a).

''(2) STATEWIDE RAPID RESPONSE ACTIVITIES AND ADDITIONAL ASSISTANCE.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve not more than 25 percent for statewide rapid response activities and additional assistance described in section 134(a)(4).

''(3) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve 15 percent to carry out statewide activities described in section 134(a)(5).

''(4) STATE ADMINISTRATIVE COST LIMIT.—Not more than 5 percent of the funds reserved under paragraph (1) may be used by the Governor of the State for administrative costs of carrying out the statewide activities described in section 134(a).'';

(2) by amending subsection (b) to read as follows:

''(b) WITHIN STATE ALLOCATION.—

''(1) METHODS.—The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas in the State, shall—

''(A) allocate the funds that are allotted to the State under section 132(b)(2) and not reserved under subsection (a), in accordance with paragraph (2)(A); and

''(B) award the funds that are reserved by the State under subsection (a)(3) through competitive grants to eligible entities, in accordance with section 134(a)(1)(C).

''(2) FORMULA ALLOCATIONS FOR THE WORKFORCE INVESTMENT FUND.—

''(A) ALLOCATION.—In allocating the funds described in paragraph (1)(A) to local areas, a State shall allocate—

''(i) 25 percent on the basis described in section 132(b)(2)(B)(i);

''(ii) 25 percent on the basis described in section 132(b)(2)(B)(ii);

''(iii) 25 percent on the basis described in section 132(b)(2)(B)(iii); and

''(iv) 25 percent on the basis described in section 132(b)(2)(B)(iv),

except that a reference in a section specified in any of clauses (i) through (iv) to 'each State' shall be considered to refer to each local area, and to 'all States' shall be considered to refer to all local areas.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The State shall ensure that no local area shall receive an allocation under this paragraph for—

''(I) each of fiscal years 2015 through 2017, that is less than 100 percent of the allocation percentage of the local area for fiscal year 2013; and

''(II) fiscal year 2018 and each succeeding fiscal year, that is less than 90 percent of the allocation percentage of the local area for the fiscal year preceding the fiscal year involved.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the State shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph for—

''(I) each of fiscal years 2015 through 2017, that is more than 130 percent of the allocation percentage of the local area for fiscal year 2013; and

''(II) fiscal year 2018 and each succeeding fiscal year, that is more than 130 percentage of the allocation percentage of the local area for the fiscal year preceding the fiscal year involved.

''(C) DEFINITIONS.—For the purpose of the formula specified in this paragraph, the term 'allocation percentage'—

''(i) used with respect to fiscal year 2013, means the percentage of the amounts allocated to local areas under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2013, that is received under such provisions by the local area involved for fiscal year 2013; and

''(ii) used with respect to fiscal year 2017 or a succeeding fiscal year, means the percentage of the amounts allocated to local areas under this paragraph for the fiscal year, that is received under this paragraph by the local area involved for the fiscal year.'';

(3) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

''(1) IN GENERAL.—The Governor may, in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under subsection (b) for employment and training activities and that are available for reallocation.'';

(B) in paragraph (2), by striking ''paragraph (2)(A) or (3) of subsection (b) for such activities'' and inserting ''subsection (b) for such activities'';

(C) by amending paragraph (3) to read as follows:

''(3) REALLOCATIONS.—In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State an amount based on the relative amount allocated to such local area under subsection (b)(2) for such activities for such prior program year, as compared to the total amount allocated to all eligible local areas in the State under subsection (b)(2) for such activities for such prior program year.''; and

(D) in paragraph (4), by striking ''paragraph (2)(A) or (3) of''; and

(4) by adding at the end the following new subsection:

''(d) LOCAL ADMINISTRATIVE COST LIMIT.—Of the amount allocated to a local area under this section for a fiscal year, not more than 10 percent of the amount may be used by the local board involved for the administrative costs of carrying out local workforce investment activities in the local area under this chapter.''.

SEC. 422. USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.

Section 134 (29 U.S.C. 2864) is amended—

(1) by amending subsection (a) to read as follows:

''(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) IN GENERAL.—

''(A) DISTRIBUTION OF STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in section 133(a)(1) and not reserved under paragraph (2) or (3) of section 133(a)—

''(i) shall be used to carry out the statewide employment and training activities described in paragraph (2); and

''(ii) may be used to carry out any of the statewide employment and training activities described in paragraph (3).

''(B) STATEWIDE RAPID RESPONSE ACTIVITIES AND ADDITIONAL ASSISTANCE.—Funds reserved by a Governor for a State as described in section 133(a)(2) shall be used to provide the statewide rapid response activities and additional assistance described in paragraph (4).

''(C) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Funds reserved by a Governor for a State as described in section 133(a)(3) shall be used to award statewide grants for individuals with barriers to employment on a competitive basis, and carry out other activities, as described in paragraph (5).

''(2) REQUIRED STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State shall use funds referred to in paragraph (1)(A) to carry out statewide employment and training activities, which shall include—

''(A) disseminating the State list of eligible providers of training services described in section 122(d), information identifying eligible providers of on-the-job training and customized training described in section 122(i), and performance information and program cost information described in section 122(b)(2);

''(B) supporting the provision of work ready services described in subsection (c)(2) in the one-stop delivery system;

''(C) implementing strategies and services that will be used in the State to assist at-risk youth and out-of-school youth in acquiring the education and skills, recognized postsecondary credentials, and employment experience to succeed in the labor market;

''(D) conducting evaluations under section 136(e) of activities authorized under this chapter in coordination with evaluations carried out by the Secretary under section 172;

''(E) providing technical assistance to local areas that fail to meet local performance measures;

''(F) operating a fiscal and management accountability system under section 136(f); and

''(G) carrying out monitoring and oversight of activities carried out under this chapter.

''(3) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State may use funds referred to in paragraph (1)(A) to carry out statewide employment and training activities which may include—

''(A) implementing innovative programs and strategies designed to meet the needs of all employers in the State, including small employers, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnership initiatives, career ladder programs, micro-enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

''(B) providing incentive grants to local areas—

''(i) for regional cooperation among local boards (including local boards in a designated region as described in section 116(c));

''(ii) for local coordination of activities carried out under this Act; and

''(iii) for exemplary performance by local areas on the local performance measures;

''(C) developing strategies for effectively integrating programs and services among one-stop partners;

''(D) carrying out activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology;

''(E) incorporating pay-for-performance contract strategies as an element in funding activities under this section and providing technical support to local areas and eligible providers in order to carry out such a strategy, which may involve providing assistance with data collection and data entry requirements;

''(F) carrying out the State option under subsection (f)(8); and

''(G) carrying out other activities authorized under this section that the State determines to be necessary to assist local areas in

carrying out activities described in subsection (c) or (d) through the statewide workforce investment system.

''(4) STATEWIDE RAPID RESPONSE ACTIVITIES AND ADDITIONAL ASSISTANCE.—A State shall use funds reserved as described in section 133(a)(2)—

''(A) to carry out statewide rapid response activities, which shall include provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

''(B) to provide additional assistance to local areas that experience disasters, mass layoffs, or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas.

''(5) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—

''(A) IN GENERAL.—Of the funds reserved as described in section 133(a)(3), the Governor of a State—

''(i) may reserve up to 5 percent to provide technical assistance for, and conduct evaluations as described in section 136(e) of, the programs carried out under this paragraph; and

''(ii) using the remainder, shall award grants on a competitive basis to eligible entities (that meet specific performance outcomes and criteria established by the Governor) described in subparagraph (B) to carry out employment and training programs authorized under this paragraph for individuals with barriers to employment.

''(B) ELIGIBLE ENTITY DEFINED.—For purposes of this paragraph, the term 'eligible entity' means an entity that—

''(i) is a—

''(I) local board or a consortium of local boards;

''(II) nonprofit entity, for-profit entity, or a consortium of nonprofit or for-profit entities; or

''(III) consortium of the entities described in subclauses (I) and (II);

''(ii) has a demonstrated record of placing individuals into unsubsidized employment and serving hard-to-serve individuals; and

''(iii) agrees to be reimbursed primarily on the basis of meeting specified performance outcomes and criteria established by the Governor.

''(C) GRANT PERIOD.—

''(i) IN GENERAL.—A grant under this paragraph shall be awarded for a period of 1 year.

''(ii) GRANT RENEWAL.—A Governor of a State may renew, for up to 4 additional 1-year periods, a grant awarded under this paragraph.

''(D) ELIGIBLE PARTICIPANTS.—To be eligible to participate in activities under this paragraph, an individual shall be a low-income individual age 16 or older.

''(E) USE OF FUNDS.—An eligible entity receiving a grant under this paragraph shall use the grant funds for programs of activities that are designed to assist eligible participants in obtaining employment and acquiring the education and skills necessary to succeed in the labor market. To be eligible to receive a grant under this paragraph for an employment and training program, an eligible entity shall submit an application to a State at such time, in such manner, and containing such information as the State may require, including—

''(i) a description of how the strategies and activities of the program will be aligned with the State plan submitted under section 112 and the local plan submitted under section 118, with respect to the area of the State that will be the focus of the program under this paragraph;

''(ii) a description of the educational and skills training programs and activities the eligible entity will provide to eligible participants under this paragraph;

''(iii) how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provision of such programs and activities;

''(iv) a description of the programs of demonstrated effectiveness on which the provision of such educational and skills training programs and activities are based, and a description of how such programs and activities will improve education and skills training for eligible participants;

''(v) a description of the populations to be served and the skill needs of those populations, and the manner in which eligible participants will be recruited and selected as participants;

''(vi) a description of the private, public, local, and State resources that will be leveraged, with the grant funds provided, for the program under this paragraph, and how the entity will ensure the sustainability of such program after grant funds are no longer available;

''(vii) a description of the extent of the involvement of employers in such program;

''(viii) a description of the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for all individuals specified in section 136(b)(2);

''(ix) a detailed budget and a description of the system of fiscal controls, and auditing and accountability procedures, that will be used to ensure fiscal soundness for the program provided under this paragraph; and

''(x) any other criteria the Governor may require.'';

(2) by amending subsection (b) to read as follows:

''(b) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Funds allocated to a local area under section 133(b)—

''(1) shall be used to carry out employment and training activities described in subsection (c); and

''(2) may be used to carry out employment and training activities described in subsection (d).'';

(3) by striking subsection (c);

(4) by redesignating subsections (d) and (e), as subsections (c) and (d), respectively;

(5) in subsection (c) (as so redesignated)—

(A) by amending paragraph (1) to read as follows:

''(1) IN GENERAL.—Funds allocated to a local area under section 133(b) shall be used—

''(A) to establish a one-stop delivery system as described in section 121(e);

''(B) to provide the work ready services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph; and

''(C) to provide training services described in paragraph (4) in accordance with such paragraph.'';

(B) in paragraph (2)—

(i) in the heading, by striking ''CORE SERVICES'' and inserting ''WORK READY SERVICES'';

(ii) in the matter preceding subparagraph (A)—

(I) by striking ''(1)(A)'' and inserting ''(1)'';

(II) by striking ''core services'' and inserting ''work ready services''; and

(III) by striking ''who are adults or dislocated workers'';

(iii) by redesignating subparagraph (K) as subparagraph (V);

(iv) by redesignating subparagraphs (B) through (J) as subparagraphs (C) through (K), respectively;

(v) by inserting after subparagraph (A) the following:

''(B) assistance in obtaining eligibility determinations under the other one-stop partner programs through activities, where appropriate and consistent with the authorizing statute of the one-stop partner program involved, such as assisting in—

''(i) the submission of applications;

''(ii) the provision of information on the results of such applications; and

''(iii) the provision of intake services and information;'';

(vi) by amending subparagraph (E), as so redesignated, to read as follows:

''(E) labor exchange services, including—

''(i) job search and placement assistance, and where appropriate, career counseling;

''(ii) appropriate recruitment services for employers, including small employers, in the local area, which may include services described in this subsection, including provision of information and referral to specialized business services not traditionally offered through the one-stop delivery system; and

''(iii) reemployment services provided to unemployment claimants, including claimants identified as in need of such services under the worker profiling system established under section 303(j) of the Social Security Act (42 U.S.C. 503(j));'';

(vii) in subparagraph (F), as so redesignated, by striking ''employment statistics'' and inserting ''workforce and labor market'';

(viii) in subparagraph (G), as so redesignated, by striking ''and eligible providers of youth activities described in section 123,'';

(ix) in subparagraph (H), as so redesignated, by inserting ''under section 136'' after ''local performance measures'';

(x) in subparagraph (J), as so redesignated, by inserting ''and information regarding the administration of the work test for the unemployment compensation system'' after ''compensation'';

(xi) by amending subparagraph (K), as so redesignated, to read as follows:

''(K) assistance in establishing eligibility for programs of financial aid assistance for education and training programs that are not funded under this Act and are available in the local area;''; and

(xii) by inserting the following new subparagraphs after subparagraph (K), as so redesignated:

''(L) the provision of information from official publications of the Internal Revenue Service regarding Federal tax credits, available to participants in employment and training activities, and relating to education, job training, and employment;

''(M) comprehensive and specialized assessments of the skill levels and service needs of workers, which may include—

''(i) diagnostic testing and use of other assessment tools; and

''(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;

''(N) development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and appropriate combination of services for the participant;

''(O) group counseling;

''(P) individual counseling and career planning;

''(Q) case management;

''(R) short-term pre-career services, including development of learning skills, communications skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training;

''(S) internships and work experience;

''(T) literacy activities relating to basic work readiness, information and communication technology literacy activities, and financial literacy activities, if the activities involved are not available to participants in the local area under programs administered under the Adult Education and Family Literacy Act (20 U.S.C. 2901 et seq.);

''(U) out-of-area job search assistance and relocation assistance; and''; and

(C) by amending paragraph (3) to read as follows:

''(3) DELIVERY OF SERVICES.—The work ready services described in paragraph (2) shall be provided through the one-stop delivery system and may be provided through contracts with public, private for-profit, and private nonprofit service providers, approved by the local board.'';

(D) in paragraph (4)—

(i) by amending subparagraph (A) to read as follows:

''(A) IN GENERAL.—Funds described in paragraph (1)(C) shall be used to provide training services to individuals who—

''(i) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

''(I) be in need of training services to obtain or retain employment; and

''(II) have the skills and qualifications to successfully participate in the selected program of training services;

''(ii) select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the individual receiving such services are willing to commute or relocate; and

''(iii) who meet the requirements of subparagraph (B).''; and

(ii) in subparagraph (B)(i), by striking ''Except'' and inserting ''Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except'';

(iii) by amending subparagraph (D) to read as follows:

''(D) TRAINING SERVICES.—Training services authorized under this paragraph may include—

''(i) occupational skills training;

''(ii) on-the-job training;

''(iii) skill upgrading and retraining;

''(iv) entrepreneurial training;

''(v) education activities leading to a regular secondary school diploma or its recognized equivalent in combination with, concurrently or subsequently, occupational skills training;

''(vi) adult education and family literacy education activities provided in conjunction with other training services authorized under this subparagraph;

''(vii) workplace training combined with related instruction;

''(viii) occupational skills training that incorporates English language acquisition;

''(ix) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training; and

''(x) training programs operated by the private sector.'';

(iv) by striking subparagraph (E) and redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively; and

(v) in subparagraph (E) (as so redesignated)—

(I) in clause (ii)—

(aa) in the matter preceding subclause (I), by striking ''subsection (c)'' and inserting ''section 121'';

(bb) in subclause (I), by striking ''section 122(e)'' and inserting ''section 122(d)'' and by striking ''section 122(h)'' and inserting ''section 122(i)''; and

(cc) in subclause (II), by striking ''subsections (e) and (h)'' and inserting ''subsections (d) and (i)''; and

(II) by striking clause (iii) and inserting the following:

''(iii) CAREER ENHANCEMENT ACCOUNTS.—An individual who seeks training services and who is eligible pursuant to subparagraph (A), may, in consultation with a case manager, select an eligible provider of training services from the list or identifying information for providers described in clause (ii)(I). Upon such selection, the one-stop operator involved shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through a career enhancement account.

''(iv) COORDINATION.—Each local board may, through one-stop centers, coordinate career enhancement accounts with other Federal, State, local, or private job training programs or sources to assist the individual in obtaining training services from (notwithstanding any provision of this title) eligible providers for those programs and sources.

''(v) ASSISTANCE.—Each local board may, through one-stop centers, assist individuals receiving career enhancement accounts in obtaining funds (in addition to the funds provided under this section) from other programs and sources that will assist the individual in obtaining training services.''; and

(vi) in subparagraph (F) (as so redesignated)—

(I) in the subparagraph heading, by striking ''INDIVIDUAL TRAINING ACCOUNTS'' and inserting ''CAREER ENHANCEMENT ACCOUNTS'';

(II) in clause (i), by striking ''individual training accounts'' and inserting ''career enhancement accounts'';

(III) in clause (ii)—

(aa) by striking ''an individual training account'' and inserting ''a career enhancement account'';

(bb) by striking ''subparagraph (F)'' and inserting ''subparagraph (E)'';

(cc) in subclause (II), by striking ''individual training accounts'' and inserting ''career enhancement accounts'';

(dd) in subclause (II), by striking ''or'' after the semicolon;

(ee) in subclause (III), by striking the period and inserting ''; or''; and

(ff) by adding at the end the following:

''(IV) the local board determines that it would be most appropriate to award a contract to a postsecondary educational institution that has been identified as a priority eligible provider under section 117(d)(5)(B) in order to facilitate the training of multiple individuals in in-demand industries or occupations important to the State or local economy, that such contract may be used to enable the expansion of programs provided by a priority eligible provider, and that such contract does not limit customer choice.'';

(IV) in clause (iii), by striking ''adult or dislocated worker'' and inserting ''individual''; and

(V) in clause (iv)—

(aa) by redesignating subclause (IV) as subclause (V); and

(bb) by inserting after subclause (III) the following:

''(IV) Individuals with disabilities.'';

(6) in subsection (d) (as so redesignated)—

(A) by amending paragraph (1) to read as follows:

''(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—

''(A) IN GENERAL.—Funds allocated to a local area under section 133(b)(2) may be used to provide, through the one-stop delivery system—

''(i) customized screening and referral of qualified participants in training services to employers;

''(ii) customized employment-related services to employers on a fee-for-service basis;

''(iii) customer supports, including transportation and child care, to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities;

''(iv) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(v) incorporation of pay-for-performance contract strategies as an element in funding activities under this section;

''(vi) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology; and

''(vii) activities to carry out business services and strategies that meet the workforce investment needs of local area employers, as determined by the local board, consistent with the local plan under section 118.'';

(B) by striking paragraphs (2) and (3); and

(C) by adding at the end the following:

''(2) INCUMBENT WORKER TRAINING PROGRAMS.—

''(A) IN GENERAL.—The local board may use funds allocated to a local area under section 133(b)(2) to carry out incumbent worker training programs in accordance with this paragraph.

''(B) TRAINING ACTIVITIES.—The training programs for incumbent workers under this paragraph shall be carried out by the local area in conjunction with the employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment and avert layoffs.

''(C) EMPLOYER MATCH REQUIRED.—

''(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers of the employers. The local board shall establish the required payment toward such costs, which may include in-kind contributions.

''(ii) CALCULATION OF MATCH.—The wages paid by an employer to a worker while they are attending training may be included as part of the required payment of the employer.''; and

(7) by adding at the end the following:

''(e) PRIORITY FOR PLACEMENT IN PRIVATE SECTOR JOBS.—In providing employment and training activities authorized under this section, the State board and local board shall give priority to placing participants in jobs in the private sector.

''(f) VETERAN EMPLOYMENT SPECIALIST.—

''(1) IN GENERAL.—Subject to paragraph (8), a local board shall hire and employ one or more veteran employment specialists to carry out employment, training, supportive, and placement services under this subsection in the local area served by the local board.

''(2) PRINCIPAL DUTIES.—A veteran employment specialist in a local area shall—

''(A) conduct outreach to employers in the local area to assist veterans, including disabled veterans, in gaining employment, including—

''(i) conducting seminars for employers; and

''(ii) in conjunction with employers, conducting job search workshops, and establishing job search groups; and

''(B) facilitate the furnishing of employment, training, supportive, and placement services to veterans, including disabled and homeless veterans, in the local area.

''(3) HIRING PREFERENCE FOR VETERANS AND INDIVIDUALS WITH EXPERTISE IN SERVING VETERANS.—Subject to paragraph (8), a local

board shall, to the maximum extent practicable, employ veterans or individuals with expertise in serving veterans to carry out the services described in paragraph (2) in the local area served by the local board. In hiring an individual to serve as a veteran employment specialist, a local board shall give preference to veterans and other individuals in the following order:

''(A) To service-connected disabled veterans.

''(B) If no veteran described in subparagraph (A) is available, to veterans.

''(C) If no veteran described in subparagraph (A) or (B) is available, to any member of the Armed Forces transitioning out of military service.

''(D) If no veteran or member described in subparagraph (A), (B), or (C) is available, to any spouse of a veteran or a spouse of a member of the Armed Forces transitioning out of military service.

''(E) If no veteran or member described in subparagraph (A), (B), or (C) is available and no spouse described in paragraph (D) is available, to any other individuals with expertise in serving veterans.

''(4) ADMINISTRATION AND REPORTING.—

''(A) IN GENERAL.—Each veteran employment specialist shall be administratively responsible to the one-stop operator of the one-stop center in the local area and shall provide, at a minimum, quarterly reports to the one-stop operator of such center and to the Assistant Secretary for Veterans' Employment and Training for the State on the specialist's performance, and compliance by the specialist with Federal law (including regulations), with respect to the—

''(i) principal duties (including facilitating the furnishing of services) for veterans described in paragraph (2); and

''(ii) hiring preferences described in paragraph (3) for veterans and other individuals.

''(B) REPORT TO SECRETARY.—Each State shall submit to the Secretary an annual report on the qualifications used by each local board in the State in making hiring determinations for a veteran employment specialist and the salary structure under which such specialist is compensated.

''(C) REPORT TO CONGRESS.—The Secretary shall submit to the Committee on Education and the Workforce and the Committee on Veterans' Affairs of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Veterans' Affairs of the Senate an annual report summarizing the reports submitted under subparagraph (B), and including summaries of outcomes achieved by participating veterans, disaggregated by local areas.

''(5) PART-TIME EMPLOYEES.—A part-time veteran employment specialist shall perform the functions of a veteran employment specialist under this subsection on a halftime basis.

''(6) TRAINING REQUIREMENTS.—Each veteran employment specialist described in paragraph (2) shall satisfactorily complete training provided by the National Veterans' Employment and Training Institute during the 3-year period that begins on the date on which the employee is so assigned.

''(7) SPECIALIST'S DUTIES.—A full-time veteran employment specialist shall perform only duties related to employment, training, supportive, and placement services under this subsection, and shall not perform other non-veteran-related duties if such duties detract from the specialist's ability to perform the specialist's duties related to employment, training, supportive, and placement services under this subsection.

''(8) STATE OPTION.—At the request of a local board, a State may opt to assume the duties assigned to the local board under paragraphs (1) and (3), including the hiring and employment of one or more veteran employment specialists for placement in the local area served by the local board.''.

SEC. 423. PERFORMANCE ACCOUNTABILITY SYSTEM.

Section 136 (29 U.S.C. 2871) is amended—

(1) in subsection (b)—

(A) by amending paragraphs (1) and (2) to read as follows:

''(1) IN GENERAL.—For each State, the State performance measures shall consist of—

''(A)(i) the core indicators of performance described in paragraph (2)(A); and

''(ii) additional indicators of performance (if any) identified by the State under paragraph (2)(B); and

''(B) a State adjusted level of performance for each indicator described in subparagraph (A).

''(2) INDICATORS OF PERFORMANCE.—

''(A) CORE INDICATORS OF PERFORMANCE.—

''(i) IN GENERAL.—The core indicators of performance for the program of employment and training activities authorized under sections 132(a)(2) and 134, the program of adult education and family literacy education activities authorized under title II, and the program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741), shall consist of the following indicators of performance (with performance determined in the aggregate and as disaggregated by the populations identified in the State and local plan in each case):

''(I) The percentage and number of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program.

''(II) The percentage and number of program participants who are in unsubsidized employment during the fourth full calendar quarter after exit from the program.

''(III) The difference in the median earnings of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program, compared to the median earnings of such participants prior to participation in such program.

''(IV) The percentage and number of program participants who obtain a recognized postsecondary credential (such as an industry-recognized credential or a certificate from a registered apprenticeship program), or a regular secondary school diploma or its recognized equivalent (subject to clause (ii)), during participation in or within 1 year after exit from the program.

''(V) The percentage and number of program participants who, during a program year—

''(aa) are in an education or training program that leads to a recognized postsecondary credential (such as an industry-recognized credential or a certificate from a registered apprenticeship program), a certificate from an on-the-job training program, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment; and

''(bb) are achieving measurable basic skill gains toward such a credential, certificate, diploma, or employment.

''(VI) The percentage and number of program participants who obtain unsubsidized employment in the field relating to the training services described in section 134(c)(4) that such participants received.

''(ii) INDICATOR RELATING TO CREDENTIAL.—For purposes of clause (i)(IV), program participants who obtain a regular secondary school diploma or its recognized equivalent shall be included in the percentage counted as meeting the criterion under such clause only if such participants (in addition to obtaining such diploma or its recognized equivalent), within 1 year after exit from the program, have obtained or retained employment, have been removed from public assistance, or have begun an education or training program leading to a recognized postsecondary credential.

''(B) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities authorized under this subtitle.''; and

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) in the heading, by striking ''AND CUSTOMER SATISFACTION INDICATOR'';

(II) in clause (i), by striking ''and the customer satisfaction indicator described in paragraph (2)(B)'';

(III) in clause (ii), by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting '', for all 3'';

(IV) in clause (iii)—

(aa) in the heading, by striking ''FOR FIRST 3 YEARS''; and

(bb) by striking ''and the customer satisfaction indicator of performance, for the first 3 program years'' and inserting ''for all 3 program years'';

(V) in clause (iv)—

(aa) by striking ''or (v)'';

(bb) by striking subclause (I) and redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(cc) in subclause (I) (as so redesignated)—

(AA) by inserting '', such as unemployment rates and job losses or gains in particular industries'' after ''economic conditions''; and

(BB) by inserting '', such as indicators of poor work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status (including disability status among veterans), and welfare dependency,'' after ''program'';

(VI) by striking clause (v) and redesignating clause (vi) as clause (v); and

(VII) in clause (v) (as so redesignated),

(aa) by striking ''described in clause (iv)(II)'' and inserting ''described in clause (iv)(I)''; and

(bb) by striking ''or (v)''; and

(ii) in subparagraph (B), by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)'';

(2) in subsection (c)—

(A) by amending clause (i) of paragraph (1)(A) to read as follows:

''(i) the core indicators of performance described in subsection (b)(2)(A) for activities described in such subsection, other than statewide workforce investment activities; and'';

(B) in clause (ii) of paragraph (1)(A), by striking ''(b)(2)(C)'' and inserting ''(b)(2)(B)''; and

(C) by amending paragraph (3) to read as follows:

''(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic conditions (such as unemployment rates and job losses or gains in particular industries), or demographic characteristics or other characteristics of the population to be served, in the local area.'';

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking ''127 or'';

(ii) by striking ''and the customer satisfaction indicator'' each place it appears; and

(iii) in the last sentence, by inserting before the period the following: '', and on the amount and percentage of the State's annual allotment under section 132 the State spends on administrative costs and on the amount and percentage of its annual allocation

under section 133 each local area in the State spends on administrative costs'';

(B) in paragraph (2)—

(i) by striking subparagraphs (A), (B), and (D);

(ii) by redesignating subparagraph (C) as subparagraph (A);

(iii) by redesignating subparagraph (E) as subparagraph (B);

(iv) in subparagraph (B), as so redesignated—

(I) by striking ''(excluding participants who received only self-service and informational activities)''; and

(II) by striking ''and'' at the end;

(v) by striking subparagraph (F);

(vi) by adding at the end the following:

''(C) with respect to each local area in the State—

''(i) the number of individuals who received work ready services described in section 134(c)(2) and the number of individuals who received training services described in section 134(c)(4), during the most recent program year and fiscal year, and the preceding 5 program years, disaggregated (for individuals who received work ready services) by the type of entity that provided the work ready services and disaggregated (for individuals who received training services) by the type of entity that provided the training services, and the amount of funds spent on each of the 2 types of services during the most recent program year and fiscal year, and the preceding 5 fiscal years;

''(ii) the number of individuals who successfully exited out of work ready services described in section 134(c)(2) and the number of individuals who exited out of training services described in section 134(c)(4), during the most recent program year and fiscal year, and the preceding 5 program years, disaggregated (for individuals who received work ready services) by the type of entity that provided the work ready services and disaggregated (for individuals who received training services) by the type of entity that provided the training services; and

''(iii) the average cost per participant of those individuals who received work ready services described in section 134(c)(2) and the average cost per participant of those individuals who received training services described in section 134(c)(4), during the most recent program year and fiscal year, and the preceding 5 program years, disaggregated (for individuals who received work ready services) by the type of entity that provided the work ready services and disaggregated (for individuals who received training services) by the type of entity that provided the training services; and

''(D) the amount of funds spent on training services and discretionary activities described in section 134(d), disaggregated by the populations identified under section 112(b)(16)(A)(iv) and section 118(b)(10).'';

(C) in paragraph (3)(A), by striking ''through publication'' and inserting ''through electronic means''; and

(D) by adding at the end the following:

''(4) DATA VALIDATION.—In preparing the reports described in this subsection, each State shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the reports is valid and reliable.

''(5) STATE AND LOCAL POLICIES.—

''(A) STATE POLICIES.—Each State that receives an allotment under section 132 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters, and plans approved by the State board and make such repository available to the public, including by electronic means.

''(B) LOCAL POLICIES.—Each local area that receives an allotment under section 133 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters, and plans approved by the local board and make such repository available to the public, including by electronic means.'';

(4) in subsection (g)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''or (B)''; and

(ii) in subparagraph (B), by striking ''may reduce by not more than 5 percent,'' and inserting ''shall reduce''; and

(B) by striking paragraph (2) and inserting the following:

''(2) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary shall return to the Treasury the amount retained, as a result of a reduction in an allotment to a State made under paragraph (1)(B).'';

(5) in subsection (h)—

(A) in paragraph (1), by striking ''or (B)''; and

(B) in paragraph (2)—

(i) in subparagraph (A), by amending the matter preceding clause (i) to read as follows:

''(A) IN GENERAL.—If such failure continues for a second consecutive year, the Governor shall take corrective actions, including the development of a reorganization plan. Such plan shall—'';

(ii) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(iii) by inserting after subparagraph (A), the following:

''(B) REDUCTION IN THE AMOUNT OF GRANT.—If such failure continues for a third consecutive year, the Governor shall reduce the amount of the grant that would (in the absence of this subparagraph) be payable to the local area under such program for the program year after such third consecutive year. Such penalty shall be based on the degree of failure to meet local levels of performance.'';

(iv) in subparagraph (C)(i) (as so redesignated), by striking ''a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan'' and inserting ''corrective action under subparagraph (A) or (B) may, not later than 30 days after receiving notice of the action, appeal to the Governor to rescind or revise such action''; and

(v) in subparagraph (D) (as so redesignated), by striking ''subparagraph (B)'' each place it appears and inserting ''subparagraph (C)'';

(6) in subsection (i)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking ''subsection (b)(2)(C)'' and inserting ''subsection (b)(2)(B)''; and

(ii) in subparagraph (C), by striking ''(b)(3)(A)(vi)'' and inserting ''(b)(3)(A)(v)'';

(B) in paragraph (2), by striking ''the activities described in section 502 concerning''; and

(C) in paragraph (3), by striking ''described in paragraph (1) and in the activities described in section 502'' and inserting ''and activities described in this subsection''; and

(7) by adding at the end the following new subsections:

''(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—Consistent with the requirements of the applicable authorizing laws, the Secretary shall use the core indicators of performance described in subsection (b)(2)(A) to assess the effectiveness of the programs described in section 121(b)(1)(B) (in addition to the programs carried out under chapter 5) that are carried out by the Secretary.

''(k) ESTABLISHING PAY-FOR-PERFORMANCE INCENTIVES.—

''(1) IN GENERAL.—At the discretion of the Governor of a State, a State may establish an incentive system for local boards to implement pay-for-performance contract strategies for the delivery of employment and training activities in the local areas served by the local boards.

''(2) IMPLEMENTATION.—A State that establishes a pay-for-performance incentive system shall reserve not more than 10 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to provide funds to local areas in the State whose local boards have implemented a pay-for-performance contract strategy.

''(3) EVALUATIONS.—A State described in paragraph (2) shall use funds reserved by the State under section 133(a)(1) to evaluate the return on investment of pay-for-performance contract strategies implemented by local boards in the State.''.

SEC. 424. AUTHORIZATION OF APPROPRIATIONS.

Section 137 (29 U.S.C. 2872) is amended to read as follows:

''SEC. 137. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out the activities described in section 132, $6,245,318,000 for fiscal year 2015 and each of the 6 succeeding fiscal years.''.

CHAPTER 3—JOB CORPS

SEC. 426. JOB CORPS PURPOSES.

Paragraph (1) of section 141 (29 U.S.C. 2881(1)) is amended to read as follows:

''(1) to maintain a national Job Corps program for at-risk youth, carried out in partnership with States and communities, to assist eligible youth to connect to the workforce by providing them with intensive academic, career and technical education, and service-learning opportunities, in residential and nonresidential centers, in order for such youth to obtain regular secondary school diplomas and recognized postsecondary credentials leading to successful careers in in-demand industries that will result in opportunities for advancement;''.

SEC. 427. JOB CORPS DEFINITIONS.

Section 142 (29 U.S.C. 2882) is amended—

(1) in paragraph (2)—

(A) in the paragraph heading, by striking ''APPLICABLE ONE-STOP'' and inserting ''ONE-STOP'';

(B) by striking ''applicable'';

(C) by striking ''customer service''; and

(D) by striking ''intake'' and inserting ''assessment'';

(2) in paragraph (4), by striking ''before completing the requirements'' and all that follows and inserting ''prior to becoming a graduate.''; and

(3) in paragraph (5), by striking ''has completed the requirements'' and all that follows and inserting the following: ''who, as a result of participation in the Job Corps program, has received a regular secondary school diploma, completed the requirements of a career and technical education and training program, or received, or is making satisfactory progress (as defined under section 484(c) of the Higher Education Act of 1965 (20 U.S.C. 1091(c))) toward receiving, a recognized postsecondary credential (including an industry-recognized credential) that prepares individuals for employment leading to economic self-sufficiency.''.

SEC. 428. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

Section 144 (29 U.S.C. 2884) is amended—

(1) by amending paragraph (1) to read as follows:

''(1) not less than age 16 and not more than age 24 on the date of enrollment;'';

(2) in paragraph (3)(B), by inserting ''secondary'' before ''school''; and

(3) in paragraph (3)(E), by striking ''vocational'' and inserting ''career and technical education and''.

SEC. 429. RECRUITMENT, SCREENING, SELECTION, AND ASSIGNMENT OF ENROLLEES.

Section 145 (29 U.S.C. 2885) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C)(i) by striking ''vocational'' and inserting ''career and technical education and training''; and

(B) in paragraph (3)—

(i) by striking ''To the extent practicable, the'' and inserting ''The'';

(ii) in subparagraph (A)—

(I) by striking ''applicable''; and

(II) by inserting ''and'' after the semicolon;

(iii) by striking subparagraphs (B) and (C); and

(iv) by adding at the end the following:

''(B) organizations that have a demonstrated record of effectiveness in placing at-risk youth into employment.'';

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B), by inserting ''and agrees to such rules'' after ''failure to observe the rules''; and

(ii) by amending subparagraph (C) to read as follows:

''(C) the individual has passed a background check conducted in accordance with procedures established by the Secretary, which shall include—

''(i) a search of the State criminal registry or repository in the State where the individual resides and each State where the individual previously resided;

''(ii) a search of State-based child abuse and neglect registries and databases in the State where the individual resides and each State where the individual previously resided;

''(iii) a search of the National Crime Information Center;

''(iv) a Federal Bureau of Investigation fingerprint check using the Integrated Automated Fingerprint Identification System; and

''(v) a search of the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.).''; and

(B) by adding at the end the following new paragraph:

''(3) INDIVIDUALS CONVICTED OF A CRIME.—An individual shall be ineligible for enrollment if the individual—

''(A) makes a false statement in connection with the criminal background check described in paragraph (1)(C);

''(B) is registered or is required to be registered on a State sex offender registry or the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.); or

''(C) has been convicted of a felony consisting of—

''(i) homicide;

''(ii) child abuse or neglect;

''(iii) a crime against children, including child pornography;

''(iv) a crime involving rape or sexual assault; or

''(v) physical assault, battery, or a drug-related offense, committed within the past 5 years.'';

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking ''2 years'' and inserting ''year''; and

(ii) by striking ''an assignment'' and inserting ''a''; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking '', every 2 years,'';

(ii) in subparagraph (B), by striking ''and'' at the end; and

(iii) in subparagraph (C)—

(I) by inserting ''the education and training'' after ''including''; and

(II) by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(D) the performance of the Job Corps center relating to the indicators described in paragraphs (1) and (2) in section 159(c), and whether any actions have been taken with respect to such center pursuant to section 159(f).''; and

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking ''is closest to the home of the enrollee, except that the'' and inserting ''offers the type of career and technical education and training selected by the individual and, among the centers that offer such education and training, is closest to the home of the individual. The'';

(ii) by striking subparagraph (A); and

(iii) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) in paragraph (2), by inserting ''that offers the career and technical education and training desired by'' after ''home of the enrollee''.

SEC. 430. JOB CORPS CENTERS.

Section 147 (29 U.S.C. 2887) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking ''vocational'' both places it appears and inserting ''career and technical''; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking ''subsections (c) and (d) of section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253)'' and inserting ''subsections (a) and (b) of section 3304 of title 41, United States Code''; and

(II) by striking ''industry council'' and inserting ''workforce council'';

(ii) in subparagraph (B)(i)—

(I) by amending subclause (II) to read as follows:

''(II) the ability of the entity to offer career and technical education and training that the workforce council proposes under section 154(c);'';

(II) in subclause (III), by striking ''is familiar with the surrounding communities, applicable'' and inserting ''demonstrates relationships with the surrounding communities, employers, workforce boards,'' and by striking ''and'' at the end;

(III) by amending subclause (IV) to read as follows:

''(IV) the performance of the entity, if any, relating to operating or providing activities described in this subtitle to a Job Corps center, including the entity's demonstrated effectiveness in assisting individuals in achieving the primary and secondary indicators of performance described in paragraphs (1) and (2) of section 159(c); and''; and

(IV) by adding at the end the following new subclause:

''(V) the ability of the entity to demonstrate a record of successfully assisting at-risk youth to connect to the workforce, including by providing them with intensive academic, and career and technical education and training.''; and

(iii) in subparagraph (B)(ii)—

(I) by striking '', as appropriate''; and

(II) by striking ''through (IV)'' and inserting ''through (V)'';

(2) in subsection (b), by striking ''In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.'';

(3) by amending subsection (c) to read as follows:

''(c) CIVILIAN CONSERVATION CENTERS.—

''(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers, operated under an agreement between the Secretary of Labor and the Secretary of Agriculture, that are located primarily in rural areas. Such centers shall adhere to all the provisions of this subtitle, and shall provide, in addition to education, career and technical education and training, and workforce preparation skills training described in section 148, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

''(2) SELECTION PROCESS.—The Secretary shall select an entity that submits an application under subsection (d) to operate a Civilian Conservation Center on a competitive basis, as provided in subsection (a).''; and

(4) by striking subsection (d) and inserting the following:

''(d) APPLICATION.—To be eligible to operate a Job Corps center under this subtitle, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(1) a description of the program activities that will be offered at the center, including how the career and technical education and training reflect State and local employment opportunities, including in in-demand industries;

''(2) a description of the counseling, placement, and support activities that will be offered at the center, including a description of the strategies and procedures the entity will use to place graduates into unsubsidized employment upon completion of the program;

''(3) a description of the demonstrated record of effectiveness that the entity has in placing at-risk youth into employment, including past performance of operating a Job Corps center under this subtitle;

''(4) a description of the relationships that the entity has developed with State and local workforce boards, employers, State and local educational agencies, and the surrounding communities in an effort to promote a comprehensive statewide workforce investment system;

''(5) a description of the strong fiscal controls the entity has in place to ensure proper accounting of Federal funds, and a description of how the entity will meet the requirements of section 159(a);

''(6) a description of the strategies and policies the entity will utilize to reduce participant costs;

''(7) a description of the steps taken to control costs in accordance with section 159(a)(3);

''(8) a detailed budget of the activities that will be supported using funds under this subtitle;

''(9) a detailed budget of the activities that will be supported using funds from non-Federal resources;

''(10) an assurance the entity will comply with the administrative cost limitation included in section 151(c);

''(11) an assurance the entity is licensed to operate in the State in which the center is located; and

''(12) an assurance the entity will comply with and meet basic health and safety codes, including those measures described in section 152(b).

''(e) LENGTH OF AGREEMENT.—The agreement described in subsection (a)(1)(A) shall be for not longer than a 2-year period. The Secretary may renew the agreement for 3 1-year periods if the entity meets the requirements of subsection (f).

''(f) RENEWAL.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may renew the terms of an

agreement described in subsection (a)(1)(A) for an entity to operate a Job Corps center if the center meets or exceeds each of the indicators of performance described in section 159(c)(1).

''(2) RECOMPETITION.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Secretary shall not renew the terms of the agreement for an entity to operate a Job Corps center if such center is ranked in the bottom quintile of centers described in section 159(f)(2) for any program year. Such entity may submit a new application under subsection (d) only if such center has shown significant improvement on the indicators of performance described in section 159(c)(1) over the last program year.

''(B) VIOLATIONS.—The Secretary shall not select an entity to operate a Job Corps center if such entity or such center has been found to have a systemic or substantial material failure that involves—

''(i) a threat to the health, safety, or civil rights of program participants or staff;

''(ii) the misuse of funds received under this subtitle;

''(iii) loss of legal status or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds;

''(iv) failure to meet any other Federal or State requirement that the entity has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified; or

''(v) an unresolved area of noncompliance.

''(g) CURRENT GRANTEES.—Not later than 60 days after the date of enactment of the SKILLS Act and notwithstanding any previous grant award or renewals of such award under this subtitle, the Secretary shall require all entities operating a Job Corps center under this subtitle to submit an application under subsection (d) to carry out the requirements of this section.''.

SEC. 431. PROGRAM ACTIVITIES.

Section 148 (29 U.S.C. 2888) is amended—

(1) by amending subsection (a) to read as follows:

''(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—

''(1) IN GENERAL.—Each Job Corps center shall provide enrollees with an intensive, well-organized, and supervised program of education, career and technical education and training, work experience, recreational activities, physical rehabilitation and development, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to work ready services described in section 134(c)(2).

''(2) RELATIONSHIP TO OPPORTUNITIES.—

''(A) IN GENERAL.—The activities provided under this subsection shall be targeted to helping enrollees, on completion of their enrollment—

''(i) secure and maintain meaningful unsubsidized employment;

''(ii) complete secondary education and obtain a regular secondary school diploma;

''(iii) enroll in and complete postsecondary education or training programs, including obtaining recognized postsecondary credentials (such as industry-recognized credentials and certificates from registered apprenticeship programs); or

''(iv) satisfy Armed Forces requirements.

''(B) LINK TO EMPLOYMENT OPPORTUNITIES.—The career and technical education and training provided shall be linked to the employment opportunities in in-demand industries in the State in which the Job Corps center is located.''; and

(2) in subsection (b)—

(A) in the subsection heading, by striking ''EDUCATION AND VOCATIONAL'' and inserting ''ACADEMIC AND CAREER AND TECHNICAL EDUCATION AND'';

(B) by striking ''may'' after ''The Secretary'' and inserting ''shall''; and

(C) by striking ''vocational'' each place it appears and inserting ''career and technical''; and

(3) by amending paragraph (3) of subsection (c) to read as follows:

''(3) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate, before the operator may carry out such additional enrollment, that—

''(A) participants in such program have achieved a satisfactory rate of completion and placement in training-related jobs; and

''(B) such operator has met or exceeded the indicators of performance described in paragraphs (1) and (2) of section 159(c) for the previous year.''.

SEC. 432. COUNSELING AND JOB PLACEMENT.

Section 149 (29 U.S.C. 2889) is amended—

(1) in subsection (a), by striking ''vocational'' and inserting ''career and technical education and'';

(2) in subsection (b)—

(A) by striking ''make every effort to arrange to''; and

(B) by striking ''to assist'' and inserting ''assist''; and

(3) by striking subsection (d).

SEC. 433. SUPPORT.

Subsection (b) of section 150 (29 U.S.C. 2890) is amended to read as follows:

''(b) TRANSITION ALLOWANCES AND SUPPORT FOR GRADUATES.—The Secretary shall arrange for a transition allowance to be paid to graduates. The transition allowance shall be incentive-based to reflect a graduate's completion of academic, career and technical education or training, and attainment of a recognized postsecondary credential, including an industry-recognized credential.''.

SEC. 434. OPERATIONS.

Section 151 (29 U.S.C. 2891) is amended—

(1) in the header, by striking ''**OPERATING PLAN.**'' and inserting ''**OPERATIONS.**'';

(2) in subsection (a), by striking ''IN GENERAL.—'' and inserting ''OPERATING PLAN.—'';

(3) by striking subsection (b) and redesignating subsection (c) as subsection (b);

(4) by amending subsection (b) (as so redesignated)—

(A) in the heading by inserting ''OF OPERATING PLAN'' after ''AVAILABILITY''; and

(B) by striking ''subsections (a) and (b)'' and inserting ''subsection (a)''; and

(5) by adding at the end the following new subsection:

''(c) ADMINISTRATIVE COSTS.—Not more than 10 percent of the funds allotted under section 147 to an entity selected to operate a Job Corps center may be used by the entity for administrative costs under this subtitle.''.

SEC. 435. COMMUNITY PARTICIPATION.

Section 153 (29 U.S.C. 2893) is amended to read as follows:

''SEC. 153. COMMUNITY PARTICIPATION.

''The director of each Job Corps center shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. Such activities may include the use of any local workforce development boards established under section 117 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.''.

SEC. 436. WORKFORCE COUNCILS.

Section 154 (29 U.S.C. 2894) is amended to read as follows:

''SEC. 154. WORKFORCE COUNCILS.

''(a) IN GENERAL.—Each Job Corps center shall have a workforce council appointed by the Governor of the State in which the Job Corps center is located.

''(b) WORKFORCE COUNCIL COMPOSITION.—

''(1) IN GENERAL.—A workforce council shall be comprised of—

''(A) business members of the State board described in section 111(b)(1)(B)(i);

''(B) business members of the local boards described in section 117(b)(2)(A) located in the State;

''(C) a representative of the State board described in section 111(f); and

''(D) such other representatives and State agency officials as the Governor may designate.

''(2) MAJORITY.—A ⅔ majority of the members of the workforce council shall be representatives described in paragraph (1)(A).

''(c) RESPONSIBILITIES.—The responsibilities of the workforce council shall be—

''(1) to review all the relevant labor market information, including related information in the State plan described in section 112, to—

''(A) determine the in-demand industries in the State in which enrollees intend to seek employment after graduation;

''(B) determine the skills and education that are necessary to obtain the employment opportunities described in subparagraph (A); and

''(C) determine the type or types of career and technical education and training that will be implemented at the center to enable the enrollees to obtain the employment opportunities; and

''(2) to meet at least once a year to reevaluate the labor market information, and other relevant information, to determine any necessary changes in the career and technical education and training provided at the center.''.

SEC. 437. TECHNICAL ASSISTANCE.

Section 156 (29 U.S.C. 2896) is amended to read as follows:

''SEC. 156. TECHNICAL ASSISTANCE TO CENTERS.

''(a) IN GENERAL.—From the funds reserved under section 132(a)(3), the Secretary shall provide, directly or through grants, contracts, or other agreements or arrangements as the Secretary considers appropriate, technical assistance and training for the Job Corps program for the purposes of improving program quality.

''(b) ACTIVITIES.—In providing training and technical assistance and for allocating resources for such assistance, the Secretary shall—

''(1) assist entities, including those entities not currently operating a Job Corps center, in developing the application described in section 147(d);

''(2) assist Job Corps centers and programs in correcting deficiencies and violations under this subtitle;

''(3) assist Job Corps centers and programs in meeting or exceeding the indicators of performance described in paragraph (1) and (2) of section 159(c); and

''(4) assist Job Corps centers and programs in the development of sound management practices, including financial management procedures.''.

SEC. 438. SPECIAL PROVISIONS.

Section 158(c)(1) (29 U.S.C. 2989(c)(1)) is amended by striking ''title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.)'' and inserting ''chapter 5 of title 40, United States Code,''.

SEC. 439. PERFORMANCE ACCOUNTABILITY MANAGEMENT.

Section 159 (29 U.S.C. 2899) is amended—

(1) in the section heading, by striking ''**MANAGEMENT INFORMATION**'' and inserting ''**PERFORMANCE ACCOUNTABILITY AND MANAGEMENT**'';

(2) in subsection (a)(3), by inserting before the period at the end the following: '', or operating costs for such centers result in a budgetary shortfall'';

(3) by striking subsections (c) through (g); and

(4) by inserting after subsection (b) the following:

''(c) INDICATORS OF PERFORMANCE.—

''(1) PRIMARY INDICATORS.—The annual primary indicators of performance for Job Corps centers shall include—

''(A) the percentage and number of enrollees who graduate from the Job Corps center;

''(B) the percentage and number of graduates who entered unsubsidized employment related to the career and technical education and training received through the Job Corps center, except that such calculation shall not include enrollment in education, the military, or volunteer service;

''(C) the percentage and number of graduates who obtained a recognized postsecondary credential, including an industry-recognized credential or a certificate from a registered apprenticeship program; and

''(D) the cost per successful performance outcome, which is calculated by comparing the number of graduates who were placed in unsubsidized employment or obtained a recognized postsecondary credential, including an industry-recognized credential, to total program costs, including all operations, construction, and administration costs at each Job Corps center.

''(2) SECONDARY INDICATORS.—The annual secondary indicators of performance for Job Corps centers shall include—

''(A) the percentage and number of graduates who entered unsubsidized employment not related to the career and technical education and training received through the Job Corps center;

''(B) the percentage and number of graduates who entered into postsecondary education;

''(C) the percentage and number of graduates who entered into the military;

''(D) the average wage of graduates who are in unsubsidized employment—

''(i) on the first day of employment; and

''(ii) 6 months after the first day;

''(E) the number and percentage of graduates who entered unsubsidized employment and were retained in the unsubsidized employment—

''(i) 6 months after the first day of employment; and

''(ii) 12 months after the first day of employment;

''(F) the percentage and number of enrollees compared to the percentage and number of enrollees the Secretary has established as targets in section 145(c)(1);

''(G) the cost per training slot, which is calculated by comparing the program's maximum number of enrollees that can be enrolled in a Job Corps center at any given time during the program year to the number of enrollees in the same program year; and

''(H) the number and percentage of former enrollees, including the number dismissed under the zero tolerance policy described in section 152(b).

''(3) INDICATORS OF PERFORMANCE FOR RECRUITERS.—The annual indicators of performance for recruiters shall include the measurements described in subparagraph (A) of paragraph (1) and subparagraphs (F), (G), and (H) of paragraph (2).

''(4) INDICATORS OF PERFORMANCE OF CAREER TRANSITION SERVICE PROVIDERS.—The annual indicators of performance of career transition service providers shall include the measurements described in subparagraphs (B) and (C) of paragraph (1) and subparagraphs, (B), (C), (D), and (E) of paragraph (2).

''(d) ADDITIONAL INFORMATION.—The Secretary shall collect, and submit in the report described in subsection (f), information on the performance of each Job Corps center, and the Job Corps program, regarding—

''(1) the number and percentage of former enrollees who obtained a regular secondary school diploma;

''(2) the number and percentage of former enrollees who entered unsubsidized employment;

''(3) the number and percentage of former enrollees who obtained a recognized postsecondary credential, including an industry-recognized credential;

''(4) the number and percentage of former enrollees who entered into military service; and

''(5) any additional information required by the Secretary.

''(e) METHODS.—The Secretary shall collect the information described in subsections (c) and (d), using methods described in section 136(f)(2) and consistent with State law, by entering into agreements with the States to access such data for Job Corps enrollees, former enrollees, and graduates.

''(f) TRANSPARENCY AND ACCOUNTABILITY.—

''(1) REPORT.—The Secretary shall collect and annually submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate, and make available to the public by electronic means, a report containing—

''(A) information on the performance of each Job Corps center, and the Job Corps program, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

''(B) a comparison of each Job Corps center, by rank, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

''(C) a comparison of each Job Corps center, by rank, on the average performance of all primary indicators described in paragraph (1) of subsection (c);

''(D) information on the performance of the service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs; and

''(E) a comparison of each service provider, by rank, on the performance of all service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs.

''(2) ASSESSMENT.—The Secretary shall conduct an annual assessment of the performance of each Job Corps center which shall include information on the Job Corps centers that—

''(A) are ranked in the bottom 10 percent on the performance indicator described in paragraph (1)(C); or

''(B) have failed a safety and health code review described in subsection (g).

''(3) PERFORMANCE IMPROVEMENT.—With respect to a Job Corps center that is identified under paragraph (2) or reports less than 50 percent on the performance indicators described in subparagraph (A), (B), or (C) of subsection (c)(1), the Secretary shall develop and implement a 1 year performance improvement plan. Such a plan shall require action including—

''(A) providing technical assistance to the center;

''(B) changing the management staff of the center;

''(C) replacing the operator of the center;

''(D) reducing the capacity of the center; or

''(E) closing the center.

''(4) CLOSURE OF JOB CORPS CENTERS.—Job Corps centers that have been identified under paragraph (2) for more than 4 consecutive years shall be closed. The Secretary shall ensure—

''(A) that the proposed decision to close the center is announced in advance to the general public through publication in the Federal Register and other appropriate means; and

''(B) the establishment of a reasonable comment period, not to exceed 30 days, for interested individuals to submit written comments to the Secretary.

''(g) PARTICIPANT HEALTH AND SAFETY.—The Secretary shall enter into an agreement with the General Services Administration or the appropriate State agency responsible for inspecting public buildings and safeguarding the health of disadvantaged students, to conduct an in-person review of the physical condition and health-related activities of each Job Corps center annually. Such review shall include a passing rate of occupancy under Federal and State ordinances.''.

CHAPTER 4—NATIONAL PROGRAMS

SEC. 441. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) by striking subsection (b);

(2) by striking:

''(a) GENERAL TECHNICAL ASSISTANCE.—'';

(3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left, and conforming the casing style of the headings of such subsections to the casing style of the heading of subsection (d), as added by paragraph (7) of this section;

(4) in subsection (a) (as so redesignated)—

(A) by inserting ''the training of staff providing rapid response services and additional assistance, the training of other staff of recipients of funds under this title, assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State), technical assistance to States that do not meet State performance measures described in section 136,'' after ''localities,''; and

(B) by striking ''from carrying out activities'' and all that follows up to the period and inserting ''to implement the amendments made by the SKILLS Act'';

(5) in subsection (b) (as so redesignated)—

(A) by striking ''paragraph (1)'' and inserting ''subsection (a)'';

(B) by striking '', or recipient of financial assistance under any of sections 166 through 169,''; and

(C) by striking ''or grant recipient'';

(6) in subsection (c) (as so redesignated), by striking ''paragraph (1)'' and inserting ''subsection (a)''; and

(7) by inserting, after subsection (c) (as so redesignated), the following:

''(d) BEST PRACTICES COORDINATION.—The Secretary shall—

''(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act; and

''(2) evaluate and disseminate information regarding best practices and identify knowledge gaps.''.

SEC. 442. EVALUATIONS.

Section 172 (29 U.S.C. 2917) is amended—

(1) in subsection (a), by striking ''the Secretary shall provide for the continuing evaluation of the programs and activities, including those programs and activities carried out under section 171'' and inserting ''the Secretary, through grants, contracts, or cooperative agreements, shall conduct, at least once every 5 years, an independent evaluation of the programs and activities funded under this Act'';

(2) by amending subsection (a)(4) to read as follows:

''(4) the impact of receiving services and not receiving services under such programs and activities on the community, businesses, and individuals;'';

(3) by amending subsection (c) to read as follows:

''(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the use of administrative data. The Secretary shall conduct an impact analysis, as described in subsection (a)(4), of the formula grant program under subtitle B not later than 2016, and thereafter shall conduct such an analysis not less than once every 4 years.'';

(4) in subsection (e), by striking ''the Committee on Labor and Human Resources of the Senate'' and inserting ''the Committee on Health, Education, Labor, and Pensions of the Senate'';

(5) by redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following:

''(f) REDUCTION OF AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR LATE REPORTING.—If a report required to be transmitted to Congress under this section is not transmitted on or before the time period specified for that report, amounts authorized to be appropriated under this title shall be reduced by 10 percent for the fiscal year that begins after the date on which the final report required under this section is required to be transmitted and reduced by an additional 10 percent each subsequent fiscal year until each such report is transmitted to Congress.''; and

(6) by adding at the end, the following:

''(h) PUBLIC AVAILABILITY.—The results of the evaluations conducted under this section shall be made publicly available, including by posting such results on the Department's website.''.

CHAPTER 5—ADMINISTRATION

SEC. 446. REQUIREMENTS AND RESTRICTIONS.

Section 181 (29 U.S.C. 2931) is amended—

(1) in subsection (b)(6), by striking '', including representatives of businesses and of labor organizations,'';

(2) in subsection (c)(2)(A), in the matter preceding clause (i), by striking ''shall'' and inserting ''may'';

(3) in subsection (e)—

(A) by striking ''training for'' and inserting ''the entry into employment, retention in employment, or increases in earnings of''; and

(B) by striking ''subtitle B'' and inserting ''this Act'';

(4) in subsection (f)(4), by striking ''134(a)(3)(B)'' and inserting ''133(a)(4)''; and

(5) by adding at the end the following:

''(g) SALARY AND BONUS LIMITATION.—

''(1) IN GENERAL.—No funds provided under this title shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of the rate prescribed in level II of the Executive Schedule under section 5315 of title 5, United States Code.

''(2) VENDORS.—The limitation described in paragraph (1) shall not apply to vendors providing goods and services as defined in OMB Circular A–133.

''(3) LOWER LIMIT.—In a case in which a State is a recipient of such funds, the State may establish a lower limit than is provided in paragraph (1) for salaries and bonuses of those receiving salaries and bonuses from a subrecipient of such funds, taking into account factors including the relative cost of living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer the Federal programs involved.

''(h) GENERAL AUTHORITY.—

''(1) IN GENERAL.—The Employment and Training Administration of the Department of Labor (referred to in this Act as the 'Administration') shall administer all programs authorized under title I and the Wagner-Peyser Act (29 U.S.C. 49 et seq.). The Administration shall be headed by an Assistant Secretary appointed by the President by and with the advice and consent of the Senate. Except for title II and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the Administration shall be the principal agency, and the Assistant Secretary shall be the principal officer, of such Department for carrying out this Act.

''(2) QUALIFICATIONS.—The Assistant Secretary shall be an individual with substantial experience in workforce development and in workforce development management. The Assistant Secretary shall also, to the maximum extent possible, possess knowledge and have worked in or with the State or local workforce investment system or have been a member of the business community.

''(3) FUNCTIONS.—In the performance of the functions of the office, the Assistant Secretary shall be directly responsible to the Secretary or the Deputy Secretary of Labor, as determined by the Secretary. The functions of the Assistant Secretary shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the Assistant Secretary. Any reference in this Act to duties to be carried out by the Assistant Secretary shall be considered to be a reference to duties to be carried out by the Secretary acting through the Assistant Secretary.''.

SEC. 447. PROMPT ALLOCATION OF FUNDS.

Section 182 (29 U.S.C. 2932) is amended—

(1) in subsection (c)—

(A) by striking ''127 or''; and

(B) by striking '', except that'' and all that follows and inserting a period; and

(2) in subsection (e)—

(A) by striking ''sections 128 and 133'' and inserting ''section 133''; and

(B) by striking ''127 or''.

SEC. 448. FISCAL CONTROLS; SANCTIONS.

Section 184(a)(2) (29 U.S.C. 2934(a)(2)) is amended—

(1) by striking ''(A)'' and all that follows through ''Each'' and inserting ''Each''; and

(2) by striking subparagraph (B).

SEC. 449. REPORTS TO CONGRESS.

Section 185 (29 U.S.C. 2935) is amended—

(1) in subsection (c)—

(A) in paragraph (2), by striking ''and'' after the semicolon;

(B) in paragraph (3), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(4) shall have the option to submit or disseminate electronically any reports, records, plans, or other data that are required to be collected or disseminated under this title.''; and

(2) in subsection (e)(2), by inserting ''and the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate,'' after ''Secretary,''.

SEC. 450. ADMINISTRATIVE PROVISIONS.

Section 189 (29 U.S.C. 2939) is amended—

(1) in subsection (g)—

(A) by amending paragraph (1) to read as follows:

''(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on October 1 in the fiscal year for which the appropriation is made.''; and

(B) in paragraph (2)—

(i) in the first sentence, by striking ''each State'' and inserting ''each recipient (except as otherwise provided in this paragraph)''; and

(ii) in the second sentence, by striking ''171 or'';

(2) in subsection (i)—

(A) by striking paragraphs (2) and (3);

(B) by redesignating paragraph (4) as paragraph (2);

(C) by amending paragraph (2)(A), as so redesignated—

(i) in clause (i), by striking ''; and'' and inserting a period at the end;

(ii) by striking ''requirements of subparagraph (B)'' and all that follows through ''any of the statutory or regulatory requirements of subtitle B'' and inserting ''requirements of subparagraph (B) or (D), any of the statutory or regulatory requirements of subtitle B''; and

(iii) by striking clause (ii); and

(D) by adding at the end the following:

''(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—The Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B), in lieu of requiring the additional States to meet the requirements of subparagraphs (B) and (C). Such procedure shall ensure that the extension of such a waiver to additional States is accompanied by appropriate conditions relating to the implementation of such waiver.

''(E) EXTERNAL CONDITIONS.—The Secretary shall not require or impose new or additional requirements, that are not specified under this Act, on a State in exchange for providing a waiver to the State or a local area in the State under this paragraph.''.

SEC. 451. STATE LEGISLATIVE AUTHORITY.

Section 191(a) (29 U.S.C. 2941(a)) is amended—

(1) by striking ''consistent with the provisions of this title'' and inserting ''consistent with State law and the provisions of this title''; and

(2) by striking ''consistent with the terms and conditions required under this title'' and inserting ''consistent with State law and the terms and conditions required under this title''.

SEC. 452. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended—

(1) in paragraph (7), by inserting at the end the following:

''(D) Funds received under a program by a public or private nonprofit entity that are not described in subparagraph (B), such as funds privately raised from philanthropic foundations, businesses, or other private entities, shall not be considered to be income under this title and shall not be subject to the requirements of this paragraph.'';

(2) by striking paragraph (9);

(3) by redesignating paragraphs (10) through (13) as paragraphs (9) through (12), respectively;

(4) by adding at the end the following new paragraphs:

''(13) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)), except that for purposes of this paragraph, such an enterprise does not include a one-stop center.

''(14) Any report required to be submitted to Congress, or to a Committee of Congress, under this title shall be submitted to both the chairmen and ranking minority members of the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.''.

SEC. 453. FEDERAL AGENCY STAFF AND RESTRICTIONS ON POLITICAL AND LOBBYING ACTIVITIES.

Subtitle E of title I (29 U.S.C. 2931 et seq.) is amended by adding at the end the following new sections:

''SEC. 196. FEDERAL AGENCY STAFF.

''The Director of the Office of Management and Budget shall—

''(1) not later than 60 days after the date of the enactment of the SKILLS Act—

''(A) identify the number of Federal government employees who, on the day before the date of enactment of the SKILLS Act, worked on or administered each of the programs and activities that were authorized under this Act or were authorized under a provision listed in section 401 of the SKILLS Act; and

''(B) identify the number of full-time equivalent employees who on the day before that date of enactment, worked on or administered each of the programs and activities described in subparagraph (A), on functions for which the authorizing provision has been repealed, or for which an amount has been consolidated (if such employee is in a duplicate position), on or after such date of enactment;

''(2) not later than 90 after such date of enactment, publish the information described in paragraph (1) on the Office of Management and Budget website; and

''(3) not later than 1 year after such date of enactment—

''(A) reduce the workforce of the Federal Government by the number of full-time equivalent employees identified under paragraph (1)(B); and

''(B) submit to Congress a report on how the Director carried out the requirements of subparagraph (A).

''SEC. 197. RESTRICTIONS ON LOBBYING AND POLITICAL ACTIVITIES.

''(a) LOBBYING RESTRICTIONS.—

''(1) PUBLICITY RESTRICTIONS.—

''(A) IN GENERAL.—Subject to subparagraph (B), no funds provided under this Act shall be used or proposed for use, for—

''(i) publicity or propaganda purposes; or

''(ii) the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to—

''(i) normal and recognized executive-legislative relationships;

''(ii) the preparation, distribution, or use of the materials described in subparagraph (A)(ii) in presentation to the Congress or any State or local legislature or legislative body (except that this subparagraph does not apply with respect to such preparation, distribution, or use in presentation to the executive branch of any State or local government); or

''(iii) such preparation, distribution, or use of such materials, that are designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government.

''(2) SALARY PAYMENT RESTRICTION.—No funds provided under this Act shall be used, or proposed for use, to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment or issuance of legislation, appropriations, regulations, administrative action, or an executive order proposed or pending before the Congress or any State government, or a State or local legislature or legislative body, other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a State, local, or tribal government in policymaking and administrative processes within the executive branch of that government.

''(b) POLITICAL RESTRICTIONS.—

''(1) IN GENERAL.—No funds received by a participant of a program or activity under this Act shall be used for—

''(A) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; or

''(B) any activity to provide voters with transportation to the polls or similar assistance in connection with any such election.

''(2) RESTRICTION ON VOTER REGISTRATION ACTIVITIES.—No funds under this Act shall be used to conduct voter registration activities.

''(3) DEFINITION.—For the purposes of this subsection, the term 'participant' includes any State, local area, or government, nonprofit, or for-profit entity receiving funds under this Act.''.

CHAPTER 6—STATE UNIFIED PLAN

SEC. 456. STATE UNIFIED PLAN.

Section 501 (20 U.S.C. 9271) is amended—

(1) by amending subsection (a) to read as follows:

''(a) GENERAL AUTHORITY.—The Secretary shall receive and approve State unified plans developed and submitted in accordance with this section.'';

(2) by amending subsection (b) to read as follows:

''(b) STATE UNIFIED PLAN.—

''(1) IN GENERAL.—A State may develop and submit to the Secretary a State unified plan for 2 or more of the activities or programs set forth in paragraph (2). The State unified plan shall cover one or more of the activities or programs set forth in subparagraphs (A) and (B) of paragraph (2) and shall cover one or more of the activities or programs set forth in subparagraphs (C) through (N) of paragraph (2).

''(2) ACTIVITIES AND PROGRAMS.—For purposes of paragraph (1), the term 'activity or program' means any 1 of the following 14 activities or programs:

''(A) Activities and programs authorized under title I.

''(B) Activities and programs authorized under title II.

''(C) Programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 710 et seq.).

''(D) Secondary career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

''(E) Postsecondary career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006.

''(F) Activities and programs authorized under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

''(G) Programs and activities authorized under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

''(H) Programs authorized under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).

''(I) Programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(J) Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law).

''(K) Work programs authorized under section 6(o) of the Food and Nutrition Act of 1977 (7 U.S.C. 2015(o)).

''(L) Activities and programs authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

''(M) Activities and programs authorized under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.).

''(N) Activities authorized under chapter 41 of title 38, United States Code.'';

(3) by amending subsection (d) to read as follows:

''(d) APPROVAL.—

''(1) JURISDICTION.—In approving a State unified plan under this section, the Secretary shall—

''(A) submit the portion of the State unified plan covering an activity or program described in subsection (b)(2) to the head of the Federal agency who exercises administrative authority over the activity or program for the approval of such portion by such Federal agency head; or

''(B) coordinate approval of the portion of the State unified plan covering an activity or program described in subsection (b)(2) with the head of the Federal agency who exercises administrative authority over the activity or program.

''(2) TIMELINE.—A State unified plan shall be considered to be approved by the Secretary at the end of the 90-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 90-day period, that details how the plan is not consistent with the requirements of the Federal statute authorizing an activity or program described in subsection (b)(2) and covered under the plan or how the plan is not consistent with the requirements of subsection (c)(3).

''(3) SCOPE OF PORTION.—For purposes of paragraph (1), the portion of the State unified plan covering an activity or program shall be considered to include the plan described in subsection (c)(3) and any proposal described in subsection (e)(2), as that part and proposal relate to the activity or program.''; and

(4) by adding at the end the following:

''(e) ADDITIONAL EMPLOYMENT AND TRAINING FUNDS.—

''(1) PURPOSE.—It is the purpose of this subsection to reduce inefficiencies in the administration of federally funded State and local employment and training programs.

''(2) IN GENERAL.—In developing a State unified plan for the activities or programs described in subsection (b)(2), and subject to paragraph (4) and to the State plan approval process under subsection (d), a State may propose to consolidate the amount, in whole or part, provided for the activities or programs covered by the plan into the Workforce Investment Fund under section 132(b) to improve the administration of State and local employment and training programs.

''(3) REQUIREMENTS.—A State that has a State unified plan approved under subsection (d) with a proposal for consolidation under paragraph (2), and that is carrying out such consolidation, shall—

''(A) in providing an activity or program for which an amount is consolidated into the Workforce Investment Fund—

''(i) continue to meet the program requirements, limitations, and prohibitions of any Federal statute authorizing the activity or program; and

''(ii) meet the intent and purpose for the activity or program; and

''(B) continue to make reservations and allotments under subsections (a) and (b) of section 133.

''(4) EXCEPTIONS.—A State may not consolidate an amount under paragraph (2) that is allocated to the State under—

''(A) the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.); or

''(B) title I of the Rehabilitation Act of 1973 (29 U.S.C. 710 et seq.).''.

Subtitle B—Adult Education and Family Literacy Education

SEC. 461. AMENDMENT.

Title II (20 U.S.C. 9201 et seq.) is amended to read as follows:

''TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

''SEC. 201. SHORT TITLE.

''This title may be cited as the 'Adult Education and Family Literacy Education Act'.

''SEC. 202. PURPOSE.

''It is the purpose of this title to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and mathematics skills, and support States and local communities in providing, on a voluntary basis, adult education and family literacy education programs, in order to—

''(1) increase the literacy of adults, including the basic reading, writing, speaking, and mathematics skills, to a level of proficiency necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

''(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

''(3) assist adults who are parents to enable them to support the educational development of their children and make informed choices regarding their children's education including, through instruction in basic reading, writing, speaking, and mathematics skills; and

''(4) assist adults who are not proficient in English in improving their reading, writing, speaking, listening, comprehension, and mathematics skills.

''SEC. 203. DEFINITIONS.

''In this title:

''(1) ADULT EDUCATION AND FAMILY LITERACY EDUCATION PROGRAMS.—The term 'adult education and family literacy education programs' means a sequence of academic instruction and educational services below the postsecondary level that increase an individual's ability to read, write, and speak English and perform mathematical computations leading to a level of proficiency equivalent to at least a secondary school completion that is provided for individuals—

''(A) who are at least 16 years of age;

''(B) who are not enrolled or required to be enrolled in secondary school under State law; and

''(C) who—

''(i) lack sufficient mastery of basic reading, writing, speaking, and mathematics skills to enable the individuals to function effectively in society;

''(ii) do not have a secondary school diploma or its equivalent and have not achieved an equivalent level of education; or

''(iii) are English learners.

''(2) ELIGIBLE AGENCY.—The term 'eligible agency'—

''(A) means the primary entity or agency in a State or an outlying area responsible for administering or supervising policy for adult education and family literacy education programs in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

''(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

''(3) ELIGIBLE PROVIDER.—The term 'eligible provider' means an organization of demonstrated effectiveness that is—

''(A) a local educational agency;

''(B) a community-based or faith-based organization;

''(C) a volunteer literacy organization;

''(D) an institution of higher education;

''(E) a public or private educational agency;

''(F) a library;

''(G) a public housing authority;

''(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult education, basic skills, and family literacy education programs to adults and families; or

''(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

''(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term 'English language acquisition program' means a program of instruction—

''(A) designed to help English learners achieve competence in reading, writing, speaking, and comprehension of the English language; and

''(B) that may lead to—

''(i) attainment of a secondary school diploma or its recognized equivalent;

''(ii) transition to success in postsecondary education and training; and

''(iii) employment or career advancement.

''(5) FAMILY LITERACY EDUCATION PROGRAM.—The term 'family literacy education program' means an educational program that—

''(A) assists parents and students, on a voluntary basis, in achieving the purpose of this title as described in section 202; and

''(B) is of sufficient intensity in terms of hours and of sufficient quality to make sustainable changes in a family, is evidence-based, and, for the purpose of substantially increasing the ability of parents and children to read, write, and speak English, integrates—

''(i) interactive literacy activities between parents and their children;

''(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

''(iii) parent literacy training that leads to economic self-sufficiency; and

''(iv) an age-appropriate education to prepare children for success in school and life experiences.

''(6) GOVERNOR.—The term 'Governor' means the chief executive officer of a State or outlying area.

''(7) INDIVIDUAL WITH A DISABILITY.—

''(A) IN GENERAL.—The term 'individual with a disability' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990).

''(B) INDIVIDUALS WITH DISABILITIES.—The term 'individuals with disabilities' means more than one individual with a disability.

''(8) ENGLISH LEARNER.—The term 'English learner' means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language.

''(9) INTEGRATED EDUCATION AND TRAINING.—The term 'integrated education and training' means services that provide adult education and literacy activities contextually and concurrently with workforce preparation activities and workforce training for a specific occupation or occupational cluster. Such services may include offering adult education services concurrent with postsecondary education and training, including through co-instruction.

''(10) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965.

''(11) LITERACY.—The term 'literacy' means an individual's ability to read, write, and speak in English, compute, and solve problems at a level of proficiency necessary to obtain employment and to successfully make the transition to postsecondary education.

''(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(13) OUTLYING AREA.—The term 'outlying area' has the meaning given the term in section 101 of this Act.

''(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term 'postsecondary educational institution' means—

''(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

''(B) a tribally controlled community college; or

''(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

''(15) SECRETARY.—The term 'Secretary' means the Secretary of Education.

''(16) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(17) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(18) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and mathematics skills.

''SEC. 204. HOME SCHOOLS.

''Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in adult education and family literacy education activities under this title.

''SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title, $606,294,933 for fiscal year 2015 and for each of the 6 succeeding fiscal years.

''Subtitle A—Federal Provisions

''SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

''(a) RESERVATION OF FUNDS.—From the sums appropriated under section 205 for a fiscal year, the Secretary shall reserve 2.0 percent to carry out section 242.

''(b) GRANTS TO ELIGIBLE AGENCIES.—

''(1) IN GENERAL.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

''(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only

if the eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

''(c) ALLOTMENTS.—

''(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

''(A) $100,000, in the case of an eligible agency serving an outlying area; and

''(B) $250,000, in the case of any other eligible agency.

''(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

''(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term 'qualifying adult' means an adult who—

''(1) is at least 16 years of age;

''(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

''(3) does not have a secondary school diploma or its recognized equivalent; and

''(4) is not enrolled in secondary school.

''(e) SPECIAL RULE.—

''(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

''(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for the Republic of Palau becomes effective.

''(f) HOLD-HARMLESS PROVISIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (c) and subject to paragraph (2), for—

''(A) fiscal year 2015, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for fiscal year 2012 under this title; and

''(B) fiscal year 2016 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

''(2) RATABLE REDUCTION.—If, for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratable reduce the payments to all eligible agencies, as necessary.

''(g) REALLOTMENT.—The portion of any eligible agency's allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

''SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

''Programs and activities authorized under this title are subject to the performance accountability provisions described in paragraph (2)(A) and (3) of section 136(b) and may, at a State's discretion, include additional indicators identified in the State plan approved under section 224.

''Subtitle B—State Provisions

''SEC. 221. STATE ADMINISTRATION.

''Each eligible agency shall be responsible for the following activities under this title:

''(1) The development, submission, implementation, and monitoring of the State plan.

''(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

''(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.

''SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

''(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this title for a fiscal year—

''(1) shall use not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of such amount shall be available to carry out section 225;

''(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

''(3) shall use not more than 5 percent of the grant funds, or $65,000, whichever is greater, for the administrative expenses of the eligible agency.

''(b) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount that is not less than—

''(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

''(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult education and family literacy education programs in the State.

''(2) NON-FEDERAL CONTRIBUTION.—An eligible agency's non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education and family literacy education programs in a manner that is consistent with the purpose of this title.

''SEC. 223. STATE LEADERSHIP ACTIVITIES.

''(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult education and family literacy education programs:

''(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b).

''(2) The provision of technical assistance to eligible providers of adult education and family literacy education programs, including for the development and dissemination of evidence based research instructional practices in reading, writing, speaking, mathematics, and English language acquisition programs.

''(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

''(4) The monitoring and evaluation of the quality of, and the improvement in, adult education and literacy activities.

''(5) The provision of technology assistance, including staff training, to eligible providers of adult education and family literacy education programs, including distance education activities, to enable the eligible providers to improve the quality of such activities.

''(6) The development and implementation of technology applications or distance education, including professional development to support the use of instructional technology.

''(7) Coordination with other public programs, including programs under title I of this Act, and other welfare-to-work, workforce development, and job training programs.

''(8) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and family literacy education programs, for adults enrolled in such activities.

''(9) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education.

''(10) Activities to promote workplace literacy programs.

''(11) Other activities of statewide significance, including assisting eligible providers in achieving progress in improving the skill levels of adults who participate in programs under this title.

''(12) Integration of literacy, instructional, and occupational skill training and promotion of linkages with employees.

''(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

''(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

''SEC. 224. STATE PLAN.

''(a) 3-YEAR PLANS.—

''(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 3-year State plan.

''(2) STATE UNIFIED PLAN.—The eligible agency may submit the State plan as part of a State unified plan described in section 501.

''(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

''(1) an objective assessment of the needs of individuals in the State or outlying area for adult education and family literacy education programs, including individuals most in need or hardest to serve;

''(2) a description of the adult education and family literacy education programs that will be carried out with funds received under this title;

''(3) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

''(4) a description of how the eligible agency will annually evaluate and measure the effectiveness and improvement of the adult education and family literacy education programs funded under this title using the indicators of performance described in section 136, including how the eligible agency will conduct such annual evaluations and measures for each grant received under this title;

''(5) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

''(6) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

''(7) a description of the process that will be used for public participation and comment with respect to the State plan, which—

''(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, and other State agencies that promote the improvement of adult education and family literacy education programs, and direct providers of such programs; and

''(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

''(8) a description of the eligible agency's strategies for serving populations that include, at a minimum—

''(A) low-income individuals;

''(B) individuals with disabilities;

''(C) the unemployed;

''(D) the underemployed; and

''(E) individuals with multiple barriers to educational enhancement, including English learners;

''(9) a description of how the adult education and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

''(10) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

''(A) how the State will build the capacity of community-based and faith-based organizations to provide adult education and family literacy education programs; and

''(B) how the State will increase the participation of business and industry in adult education and family literacy education programs;

''(11) an assessment of the adequacy of the system of the State or outlying area to ensure teacher quality and a description of how the State or outlying area will use funds received under this subtitle to improve teacher quality, including evidence-based professional development to improve instruction; and

''(12) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

''(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

''(d) CONSULTATION.—The eligible agency shall—

''(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, or outlying area for review and comment; and

''(2) ensure that any comments regarding the State plan by the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, and any revision to the State plan, are submitted to the Secretary.

''(e) PLAN APPROVAL.—The Secretary shall—

''(1) approve a State plan within 90 days after receiving the plan unless the Secretary makes a written determination within 30 days after receiving the plan that the plan does not meet the requirements of this section or is inconsistent with specific provisions of this subtitle; and

''(2) not finally disapprove of a State plan before offering the eligible agency the opportunity, prior to the expiration of the 30-day period beginning on the date on which the eligible agency received the written determination described in paragraph (1), to review the plan and providing technical assistance in order to assist the eligible agency in meeting the requirements of this subtitle.

''SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

''(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

''(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

''(1) basic skills education;

''(2) special education programs as determined by the eligible agency;

''(3) reading, writing, speaking, and mathematics programs;

''(4) secondary school credit or diploma programs or their recognized equivalent; and

''(5) integrated education and training.

''(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

''(d) DEFINITIONS.—In this section:

''(1) CORRECTIONAL INSTITUTION.—The term 'correctional institution' means any—

''(A) prison;

''(B) jail;

''(C) reformatory;

''(D) work farm;

''(E) detention center; or

''(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

''(2) CRIMINAL OFFENDER.—The term 'criminal offender' means any individual who is charged with, or convicted of, any criminal offense.

''Subtitle C—Local Provisions

''SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

''(a) GRANTS AND CONTRACTS.—From grant funds made available under section 222(a)(1), each eligible agency shall award multi-year grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult education and family literacy education programs within the State.

''(b) LOCAL ACTIVITIES.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate—

''(1) programs that provide adult education and literacy activities;

''(2) programs that provide integrated education and training activities; or

''(3) credit-bearing postsecondary coursework.

''(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—

''(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

''(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

''(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

''(1) the eligible provider's measurable goals for participant outcomes to be achieved annually on the core indicators of performance described in section 136(b)(2)(A);

''(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in exceeding its performance goals in the prior year;

''(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction services, including individuals with disabilities and individuals who are low-income or have minimal reading, writing, speaking, and mathematics skills, or are English learners;

''(4) the program is of sufficient intensity and quality for participants to achieve substantial learning gains;

''(5) educational practices are evidence-based;

''(6) the activities of the eligible provider effectively employ advances in technology, and delivery systems including distance education;

''(7) the activities provide instruction in real-life contexts, including integrated education and training when appropriate, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

''(8) the activities are staffed by well-trained instructors, counselors, and administrators who meet minimum qualifications established by the State;

''(9) the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, local workforce investment boards, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

''(10) the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

''(11) the activities include a high-quality information management system that has

the capacity to report measurable participant outcomes (consistent with section 136) and to monitor program performance;

''(12) the local communities have a demonstrated need for additional English language acquisition programs, and integrated education and training programs;

''(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

''(14) adult education and family literacy education programs offer rigorous reading, writing, speaking, and mathematics content that are evidence based; and

''(15) applications of technology, and services to be provided by the eligible providers, are of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

''(e) SPECIAL RULE.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

''SEC. 232. LOCAL APPLICATION.

''Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

''(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

''(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education and family literacy education programs; and

''(3) each of the demonstrations required by section 231(d).

''SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

''(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

''(1) at least 95 percent shall be expended for carrying out adult education and family literacy education programs; and

''(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and mathematics, and interagency coordination.

''(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

''Subtitle D—General Provisions

''SEC. 241. ADMINISTRATIVE PROVISIONS.

''Funds made available for adult education and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult education and family literacy education programs.

''SEC. 242. NATIONAL ACTIVITIES.

''The Secretary shall establish and carry out a program of national activities that may include the following:

''(1) Providing technical assistance to eligible entities, on request, to—

''(A) improve their fiscal management, research-based instruction, and reporting requirements to carry out the requirements of this title;

''(B) improve its performance on the core indicators of performance described in section 136;

''(C) provide adult education professional development; and

''(D) use distance education and improve the application of technology in the classroom, including instruction in English language acquisition for English learners.

''(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of adult English learners functioning at different levels of reading proficiency.

''(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.

''(4) Determining how participation in adult education, English language acquisition, and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

''(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult education, English language acquisition, and family literacy education programs.

''(6) Identifying model integrated basic and workplace skills education programs, including programs for English learners coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

''(7) Initiating other activities designed to improve the measurable quality and effectiveness of adult education, English language acquisition, and family literacy education programs nationwide.''.

Subtitle C—Amendments to the Wagner-Peyser Act

SEC. 466. AMENDMENTS TO THE WAGNER-PEYSER ACT.

Section 15 of the Wagner-Peyser Act (29 U.S.C. 491–2) is amended to read as follows:

''SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

''(a) SYSTEM CONTENT.—

''(1) IN GENERAL.—The Secretary of Labor (referred to in this section as the 'Secretary'), in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

''(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

''(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

''(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

''(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

''(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

''(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

''(i) shall be current and comprehensive;

''(ii) shall meet the needs identified through the consultations described in subparagraphs (C) and (D) of subsection (e)(1); and

''(iii) shall meet the needs for the information identified in section 121(e)(1)(E) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)(1)(E));

''(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

''(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

''(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

''(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

''(i) national, State, and local policymaking;

''(ii) implementation of Federal policies (including allocation formulas);

''(iii) program planning and evaluation; and

''(iv) researching labor market dynamics;

''(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

''(H) programs of—

''(i) training for effective data dissemination;

''(ii) research and demonstration; and

''(iii) programs and technical assistance.

''(2) INFORMATION TO BE CONFIDENTIAL.—

''(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

''(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

''(ii) disclose to the public any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning an individual subject to be reasonably inferred by either direct or indirect means; or

''(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i),

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

''(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

''(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is

independently collected, retained, or produced for purposes other than the purposes of this Act.

''(b) SYSTEM RESPONSIBILITIES.—

''(1) IN GENERAL.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

''(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of workforce and labor market information for the system, shall carry out the following duties:

''(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

''(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

''(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

''(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

''(E) Establish procedures for the system to ensure that—

''(i) such data and information are timely;

''(ii) paperwork and reporting for the system are reduced to a minimum; and

''(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels.

''(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of work ready services described in section 134(c)(2) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c)(2)) and to provide workforce and labor market information to individuals through the one-stop delivery systems described in section 121 and through other appropriate delivery systems.

''(d) COORDINATION WITH THE STATES.—

''(1) IN GENERAL.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

''(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the Federal regions of the Bureau of Labor Statistics, elected (pursuant to a process established by the Secretary) from the State directors affiliated with State agencies that perform the duties described in subsection (e)(1).

''(e) STATE RESPONSIBILITIES.—

''(1) IN GENERAL.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

''(A) be responsible for the management of the portions of the workforce and labor market information system described in subsection (a) that comprise a statewide workforce and labor market information system;

''(B) establish a process for the oversight of such system;

''(C) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

''(D) consult with State educational agencies and local educational agencies concerning the provision of workforce and labor market information in order to meet the needs of secondary school and postsecondary school students who seek such information;

''(E) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

''(F) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

''(G) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

''(H) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

''(I) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

''(J) participate in the development of, and submit to the Secretary, an annual plan to carry out the requirements and authorities of this subsection; and

''(K) utilize the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(f)(2)) to assist the State and other States in measuring State progress on State performance measures.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

''(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $63,473,000 for fiscal year 2015 and each of the 6 succeeding fiscal years.''.

Subtitle D—Repeals and Conforming Amendments

SEC. 471. REPEALS.

The following provisions are repealed:

(1) Chapter 4 of subtitle B of title I, and sections 123, 155, 166, 167, 168, 169, 171, 173, 173A, 174, 192, 194, 502, 503, and 506 of the Workforce Investment Act of 1998, as in effect on the day before the date of enactment of the SKILLS Act.

(2) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(3) Sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(4) The Twenty-First Century Workforce Commission Act (29 U.S.C. 2701 note).

(5) Public Law 91–378, 16 U.S.C. 1701 et seq. (popularly known as the ''Youth Conservation Corps Act of 1970'').

(6) Section 821 of the Higher Education Amendments of 1998 (20 U.S.C. 1151).

(7) The Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.).

(8) Sections 4103A and 4104 of title 38, United States Code.

SEC. 472. AMENDMENT TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980.

Section 104(k)(6)(A) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(k)(6)(A)) is amended by striking ''training, research, and'' and inserting ''research and''.

(a) AMENDMENTS TO THE FOOD AND NUTRITION ACT OF 2008.—

(1) DEFINITION.—Section 3(t) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(t)) is amended—

(A) by striking ''means (1) the agency'' and inserting the following: ''means—

''(A) the agency'';

(B) by striking ''programs, and (2) the tribal'' and inserting the following: ''programs;

''(B) the tribal'';

(C) by striking ''this Act.'' and inserting the following: ''this Act; and

''(C) in the context of employment and training activities under section 6(d)(4), a State board as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).''.

(2) ELIGIBLE HOUSEHOLDS.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(14) by striking ''section 6(d)(4)(I)'' and inserting ''section 6(d)(4)(C)'', and

(B) in subsection (g)(3), in the first sentence, by striking ''constitutes adequate participation in an employment and training program under section 6(d)'' and inserting ''allows the individual to participate in employment and training activities under section 6(d)(4)''.

(3) ELIGIBILITY DISQUALIFICATIONS.—Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended to read as follows:

''(D) EMPLOYMENT AND TRAINING.—

''(i) IMPLEMENTATION.—Each State agency shall provide employment and training services authorized under section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) to eligible members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment.

''(ii) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Consistent with subparagraph (A), employment and training services shall be provided through the statewide workforce development system, including the one-stop delivery system authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

''(iii) REIMBURSEMENTS.—

''(I) ACTUAL COSTS.—The State agency shall provide payments or reimbursement to participants served under this paragraph for—

''(aa) the actual costs of transportation and other actual costs (other than dependent care costs) that are reasonably necessary and directly related to the individual participating in employment and training activities; and

''(bb) the actual costs of such dependent care expenses as are determined by the State agency to be necessary for the individual to participate in employment and training activities (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of

that Act is in operation), except that no such payment or reimbursement shall exceed the applicable local market rate.

''(II) SERVICE CONTRACTS AND VOUCHERS.—In lieu of providing reimbursements or payments for dependent care expenses under clause (i), a State agency may, at the option of the State agency, arrange for dependent care through providers by the use of purchase of service contracts or vouchers or by providing vouchers to the household.

''(III) VALUE OF REIMBURSEMENTS.—The value of any dependent care services provided for or arranged under clause (ii), or any amount received as a payment or reimbursement under clause (i), shall—

''(aa) not be treated as income for the purposes of any other Federal or federally assisted program that bases eligibility for, or the amount of benefits on, need; and

''(bb) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986 (26 U.S.C. 21).''.

(4) ADMINISTRATION.—Section 11(e)(19) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)(11) is amended to read as follows:

''(S) the plans of the State agency for providing employment and training services under section 6(d)(4);''.

(5) ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''carry out employment and training programs'' and inserting ''provide employment and training services to eligible households under section 6(d)(4)''; and

(ii) in subparagraph (D), by striking ''operating an employment and training program'' and inserting ''providing employment and training services consistent with section 6(d)(4)'';

(B) in paragraph (3)—

(i) by striking ''participation in an employment and training program'' and inserting ''the individual participating in employment and training activities''; and

(ii) by striking ''section 6(d)(4)(I)(i)(II)'' and inserting ''section 6(d)(4)(C)(i)(II)'';

(C) in paragraph (4), by striking ''for operating an employment and training program'' and inserting ''to provide employment and training services''; and

(D) by striking paragraph (5) and inserting the following:

''(E) MONITORING.—

''(i) IN GENERAL.—The Secretary, in conjunction with the Secretary of Labor, shall monitor each State agency responsible for administering employment and training services under section 6(d)(4) to ensure funds are being spent effectively and efficiently.

''(ii) ACCOUNTABILITY.—Each program of employment and training receiving funds under section 6(d)(4) shall be subject to the requirements of the performance accountability system, including having to meet the State performance measures described in section 136 of the Workforce Investment Act (29 U.S.C. 2871).''.

(6) RESEARCH, DEMONSTRATION, AND EVALUATIONS.—Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended—

(A) in subsection (b)—

(i) in paragraph (1)(B)(iv)(III)(dd), by striking '', (4)(F)(i), or (4)(K)'' and inserting ''or (4)''; and

(ii) by striking paragraph (3); and

(B) in subsection (g), in the first sentence in the matter preceding paragraph (1)—

(i) by striking ''programs established'' and inserting ''activities provided to eligible households''; and

(ii) by inserting '', in conjunction with the Secretary of Labor,'' after ''Secretary''.

(7) MINNESOTA FAMILY INVESTMENT PROJECT.—Section 22(b)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(4)) is amended by striking ''equivalent to those offered under the employment and training program''.

(b) AMENDMENTS TO SECTION 412 OF THE IMMIGRATION AND NATIONALITY ACT.—

(1) CONDITIONS AND CONSIDERATIONS.—Section 412(a) of the Immigration and Nationality Act (8 U.S.C. 1522(a)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A)(i), by striking ''make available sufficient resources for employment training and placement'' and inserting ''provide refugees with the opportunity to access employment and training services, including job placement,''; and

(ii) in subparagraph (B)(ii), by striking ''services;'' and inserting ''services provided through the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);'';

(B) in paragraph (2)(C)(iii)(II), by inserting ''and training'' after ''employment'';

(C) in paragraph (6)(A)(ii)—

(i) by striking ''insure'' and inserting ''ensure'';

(ii) by inserting ''and training'' after ''employment''; and

(iii) by inserting after ''available'' the following: ''through the one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841)''; and

(D) in paragraph (9), by inserting ''the Secretary of Labor,'' after ''Education,''.

(2) PROGRAM OF INITIAL RESETTLEMENT.—Section 412(b)(2) of such Act (8 U.S.C. 1522(b)(2)) is amended—

(A) by striking ''orientation, instruction'' and inserting ''orientation and instruction''; and

(B) by striking '', and job training for refugees, and such other education and training of refugees, as facilitates'' and inserting ''for refugees to facilitate''.

(3) PROJECT GRANTS AND CONTRACTS FOR SERVICES FOR REFUGEES.—Section 412(c) of such Act (8 U.S.C. 1522(c)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A)(i), by inserting ''and training'' after ''employment''; and

(ii) by striking subparagraph (C);

(B) in paragraph (2)(B), by striking ''paragraph—'' and all that follows through ''in a manner'' and inserting ''paragraph in a manner''; and

(C) by adding at the end the following:

''(C) In carrying out this section, the Director shall ensure that employment and training services are provided through the statewide workforce development system, as appropriate, authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.). Such action may include—

''(i) making employment and training activities described in section 134 of such Act (29 U.S.C. 2864) available to refugees; and

''(ii) providing refugees with access to a one-stop delivery system established under section 121 of such Act (29 U.S.C. 2841).''.

(4) CASH ASSISTANCE AND MEDICAL ASSISTANCE TO REFUGEES.—Section 412(e) of such Act (8 U.S.C. 1522(e)) is amended—

(A) in paragraph (2)(A)(i), by inserting ''and training'' after ''providing employment''; and

(B) in paragraph (3), by striking ''The'' and inserting ''Consistent with subsection (c)(3), the''.

(c) AMENDMENTS RELATING TO THE SECOND CHANCE ACT OF 2007.—

(1) FEDERAL PRISONER REENTRY INITIATIVE.—Section 231 of the Second Chance Act of 2007 (42 U.S.C. 17541) is amended—

(A) in subsection (a)(1)(E)—

(i) by inserting ''the Department of Labor and'' before ''other Federal agencies''; and

(ii) by inserting ''State and local workforce investment boards,'' after ''community-based organizations,'';

(B) in subsection (c)—

(i) in paragraph (2), by striking at the end ''and'';

(ii) in paragraph (3), by striking at the end the period and inserting ''; and''; and

(iii) by adding at the end the following new paragraph:

''(D) to coordinate reentry programs with the employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.).''; and

(C) in subsection (d), by adding at the end the following new paragraph:

''(F) INTERACTION WITH THE WORKFORCE INVESTMENT SYSTEM.—

''(i) IN GENERAL.—In carrying out this section, the Director shall ensure that employment and training services, including such employment and services offered through reentry programs, are provided, as appropriate, through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), which may include—

''(I) making employment and training services available to prisoners prior to and immediately following the release of such prisoners; or

''(II) providing prisoners with access by remote means to a one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841) in the State in which the prison involved is located.

''(ii) SERVICE DEFINED.—In this paragraph, the term 'employment and training services' means those services described in section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) offered by the Bureau of Prisons, including—

''(I) the skills assessment described in subsection (a)(1)(A);

''(II) the skills development plan described in subsection (a)(1)(B); and

''(III) the enhancement, development, and implementation of reentry and skills development programs.''.

(2) DUTIES OF THE BUREAU OF PRISONS.—Section 4042(a) of title 18, United States Code, is amended—

(A) by redesignating subparagraphs (D) and (E), as added by section 231(d)(1)(C) of the Second Chance Act of 2007 (Public Law 110–199; 122 Stat. 685), as paragraphs (6) and (7), respectively, and adjusting the margin accordingly;

(B) in paragraph (6), as so redesignated, by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and adjusting the margin accordingly;

(C) in paragraph (7), as so redesignated—

(i) in clause (ii), by striking ''Employment'' and inserting ''Employment and training services (as defined in paragraph (6) of section 231(d) of the Second Chance Act of 2007), including basic skills attainment, consistent with such paragraph'';

(ii) by striking clause (iii); and

(D) by redesignating clauses (i), (ii), (iv), (v), (vi), and (vii) as subparagraphs (A), (B), (C), (D), (E), and (F), respectively, and adjusting the margin accordingly.

(d) AMENDMENTS TO THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968.—Section 2976 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''vocational'' and inserting ''career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) and training'';

(B) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

''(D) coordinating employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841), for offenders upon release from prison, jail, or a juvenile facility, as appropriate;'';

(2) in subsection (d)(2), by inserting '', including local workforce investment boards established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832),'' after ''nonprofit organizations'';

(3) in subsection (e)—

(A) in paragraph (3), by striking ''victims services, and employment services'' and inserting ''and victim services'';

(B) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

''(D) provides employment and training services through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841);''; and

(4) in subsection (k)—

(A) in paragraph (1)(A), by inserting '', in accordance with paragraph (2)'' after ''under this section'';

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(C) by inserting after paragraph (1) the following new paragraph:

''(B) EMPLOYMENT AND TRAINING.—The Attorney General shall require each grantee under this section to measure the core indicators of performance as described in section 136(b)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)) with respect to the program of such grantee funded with a grant under this section.''.

(e) CONFORMING AMENDMENTS TO TITLE 38, UNITED STATES CODE.—Title 38, United States Code, is amended—

(1) in section 3672(d)(1), by striking ''disabled veterans' outreach program specialists under section 4103A'' and inserting ''veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998'';

(2) in the table of sections at the beginning of chapter 41, by striking the items relating to sections 4103A and 4104;

(3) in section 4102A—

(A) in subsection (b)—

(i) by striking paragraphs (5), (6), and (7); and

(ii) by redesignating paragraph (8) as paragraph (5);

(B) by striking subsections (c) and (h);

(C) by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f); and

(D) in subsection (e)(1) (as so redesignated)—

(i) by striking '', including disabled veterans' outreach program specialists and local veterans' employment representatives providing employment, training, and placement services under this chapter in a State''; and

(ii) by striking ''for purposes of subsection (c)'';

(4) in section 4104A—

(A) in subsection (b)(1), by striking subparagraph (A) and inserting the following:

''(i) the appropriate veteran employment specialist (in carrying out the functions described in section 134(f) of the Workforce Investment Act of 1998);''; and

(B) in subsection (c)(1), by striking subparagraph (A) and inserting the following:

''(i) collaborate with the appropriate veteran employment specialist (as described in section 134(f)) and the appropriate State boards and local boards (as such terms are defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801));'';

(5) in section 4109—

(A) in subsection (a), by striking ''disabled veterans' outreach program specialists and local veterans' employment representative'' and inserting ''veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998''; and

(B) in subsection (d)(1), by striking ''disabled veterans' outreach program specialists and local veterans' employment representatives'' and inserting ''veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998''; and

(6) in section 4112(d)—

(A) in paragraph (1), by striking ''disabled veterans' outreach program specialist'' and inserting ''veteran employment specialist appointed under section 134(f) of the Workforce Investment Act of 1998''; and

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

SEC. 473. CONFORMING AMENDMENT TO TABLE OF CONTENTS.

The table of contents in section 1(b) is amended to read as follows:

''(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Subtitle E—Amendments to the Rehabilitation Act of 1973

SEC. 476. FINDINGS.

Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(7) there is a substantial need to improve and expand services for students with disabilities under this Act.''.

SEC. 477. REHABILITATION SERVICES ADMINISTRATION.

(a) REHABILITATION SERVICES ADMINISTRATION.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) in section 3(a) (29 U.S.C. 702(a))—

(A) by striking ''Office of the Secretary'' and inserting ''Department of Education'';

(B) by striking ''President by and with the advice and consent of the Senate'' and inserting ''Secretary''; and

(C) by striking '', and the Commissioner shall be the principal officer,'';

(2) by striking ''Commissioner'' each place it appears (except in section 21) and inserting ''Director'';

(3) in section 12(c) (29 U.S.C. 709(c)), by striking ''Commissioner's'' and inserting ''Director's'';

(4) in section 21 (29 U.S.C. 718)—

(A) in subsection (b)(1)—

(i) by striking ''Commissioner'' the first place it appears and inserting ''Director of the Rehabilitation Services Administration'';

(ii) by striking ''(referred to in this subsection as the 'Director')''; and

(iii) by striking ''The Commissioner and the Director'' and inserting ''Both such Directors''; and

(B) by striking ''the Commissioner and the Director'' each place it appears and inserting ''both such Directors'';

(5) in the heading for subparagraph (B) of section 100(d)(2) (29 U.S.C. 720(d)(2)), by striking ''COMMISSIONER'' and inserting ''DIRECTOR'';

(6) in section 401(a)(1) (29 U.S.C. 781(a)(1)), by inserting ''of the National Institute on Disability and Rehabilitation Research'' after ''Director'';

(7) in the heading for section 706 (29 U.S.C. 796d–1), by striking ''**COMMISSIONER**'' and inserting ''**DIRECTOR**''; and

(8) in the heading for paragraph (3) of section 723(a) (29 U.S.C. 796f–2(a)), by striking ''COMMISSIONER'' and inserting ''DIRECTOR''.

(b) EFFECTIVE DATE; APPLICATION.—The amendments made by subsection (a) shall—

(1) take effect on the date of the enactment of this Act; and

(2) apply with respect to the appointments of Directors of the Rehabilitation Services Administration made on or after the date of enactment of this Act, and the Directors so appointed.

SEC. 478. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) by redesignating paragraphs (35) through (39) as paragraphs (36) through (40), respectively;

(2) in subparagraph (A)(ii) of paragraph (36) (as redesignated by paragraph (1)), by striking ''paragraph (36)(C)'' and inserting ''paragraph (37)(C)''; and

(3) by inserting after paragraph (34) the following:

''(35)(A) The term 'student with a disability' means an individual with a disability who—

''(i) is not younger than 16 and not older than 21;

''(ii) has been determined to be eligible under section 102(a) for assistance under this title; and

''(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

''(II) is an individual with a disability, for purposes of section 504.

''(B) The term 'students with disabilities' means more than 1 student with a disability.''.

SEC. 479. CARRYOVER.

Section 19(a)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 716(a)(1)) is amended by striking ''part B of title VI,''.

SEC. 480. TRADITIONALLY UNDERSERVED POPULATIONS.

Section 21 of the Rehabilitation Act of 1973 (29 U.S.C. 718) is amended, in paragraphs (1) and (2)(A) of subsection (b), and in subsection (c), by striking ''VI,''.

SEC. 481. STATE PLAN.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (10)—

(A) in subparagraph (B), by striking ''on the eligible individuals'' and all that follows and inserting ''of information necessary to assess the State's performance on the core indicators of performance described in section 136(b)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)).''; and

(B) in subparagraph (E)(ii), by striking '', to the extent the measures are applicable to individuals with disabilities'';

(2) in paragraph (11)—

(A) in subparagraph (D)(i), by inserting before the semicolon the following: '', which may be provided using alternative means of meeting participation (such as participation through video conferences and conference calls)''; and

(B) by adding at the end the following:

''(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit and the lead agency or implementing entity responsible for carrying out duties under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) have developed working relationships and coordinate their activities.'';

(3) in paragraph (15)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) in subclause (II), by striking ''and'' at the end;

(II) in subclause (III), by adding ''and'' at the end; and

(III) by adding at the end the following:

''(IV) students with disabilities, including their need for transition services;'';

(ii) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(iii) by inserting after clause (i) the following:

''(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services provided under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), about the extent to which those 2 types of services meet the needs of individuals with disabilities;''; and

(B) in subparagraph (B)(ii), by striking ''and under part B of title VI'';

(C) in subparagraph (D)—

(i) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively;

(ii) by inserting after clause (ii) the following:

''(iii) the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to postsecondary education or employment;''; and

(iii) in clause (v), as redesignated by clause (i) of this subparagraph, by striking ''evaluation standards'' and inserting ''performance standards'';

(4) in paragraph (22)—

(A) in the paragraph heading, by striking ''STATE PLAN SUPPLEMENT'';

(B) by striking ''carrying out part B of title VI, including''; and

(C) by striking ''that part to supplement funds made available under part B of'';

(5) in paragraph (24)—

(A) in the paragraph heading, by striking ''CONTRACTS'' and inserting ''GRANTS''; and

(B) in subparagraph (A)—

(i) in the subparagraph heading, by striking ''CONTRACTS'' and inserting ''GRANTS''; and

(ii) by striking ''part A of title VI'' and inserting ''section 109A''; and

(6) by adding at the end the following:

''(25) COLLABORATION WITH INDUSTRY.—The State plan shall describe how the designated State agency will carry out the provisions of section 109A, including—

''(A) the criteria such agency will use to award grants under such section; and

''(B) how the activities carried out under such grants will be coordinated with other services provided under this title.

''(26) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan shall provide an assurance satisfactory to the Secretary that the State—

''(A) has developed and implemented strategies to address the needs identified in the assessments described in paragraph (15), and achieve the goals and priorities identified by the State in that paragraph, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

''(B) from funds reserved under section 110A, shall carry out programs or activities designed to improve and expand vocational

rehabilitation services for students with disabilities that—

''(i) facilitate the transition of students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

''(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when career goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

''(iii) provide career guidance, career exploration services, job search skills and strategies, and technical assistance to students with disabilities;

''(iv) support the provision of training and technical assistance to State and local educational agencies and designated State agency personnel responsible for the planning and provision of services to students with disabilities; and

''(v) support outreach activities to students with disabilities who are eligible for, and need, services under this title.''.

SEC. 482. SCOPE OF SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a), by striking paragraph (15) and inserting the following:

''(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment involved, including services described in clauses (i) through (iii) of section 101(a)(26)(B);'';

(2) in subsection (b), by striking paragraph (6) and inserting the following:

''(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.

''(ii) Training and technical assistance described in section 101(a)(26)(B)(iv).

''(B) Services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services described in clauses (i), (ii), (iii), and (v) of section 101(a)(26)(B), to assist in the transition from school to post-school activities.''; and

(3) in subsection (b), by inserting at the end the following:

''(7) The establishment, development, or improvement of assistive technology demonstration, loan, reutilization, or financing programs in coordination with activities authorized under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) to promote access to assistive technology for individuals with disabilities and employers.''.

SEC. 483. STANDARDS AND INDICATORS.

(a) IN GENERAL.—Section 106 of the Rehabilitation Act of 1973 (29 U.S.C. 726) is amended—

(1) in the section heading, by striking ''**EVALUATION STANDARDS**'' and inserting ''**PERFORMANCE STANDARDS**'';

(2) by striking subsection (a) and inserting the following:

''(a) STANDARDS AND INDICATORS.—The performance standards and indicators for the vocational rehabilitation program carried out under this title—

''(1) shall be subject to paragraphs (2)(A) and (3) of section 136(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)); and

''(2) may, at a State's discretion, include additional indicators identified in the State plan submitted under section 101.''; and

(3) in subsection (b)(2)(B), by striking clause (i) and inserting the following:

''(i) on a biannual basis, review the program improvement efforts of the State and, if the State has not improved its performance to acceptable levels, as determined by the Director, direct the State to make revisions to the plan to improve performance; and''.

(b) CONFORMING AMENDMENTS.—Section 107 of the Rehabilitation Act of 1973 (29 U.S.C. 727) is amended—

(1) in subsections (a)(1)(B) and (b)(2), by striking ''evaluation standards'' and inserting ''performance standards''; and

(2) in subsection (c)(1)(B), by striking ''an evaluation standard'' and inserting ''a performance standard''.

SEC. 484. EXPENDITURE OF CERTAIN AMOUNTS.

Section 108(a) of the Rehabilitation Act of 1973 (29 U.S.C. 728(a)) is amended by striking ''under part B of title VI, or''.

SEC. 485. COLLABORATION WITH INDUSTRY.

The Rehabilitation Act of 1973 is amended by inserting after section 109 (29 U.S.C. 728a) the following:

''SEC. 109A. COLLABORATION WITH INDUSTRY.

''(a) ELIGIBLE ENTITY DEFINED.—For the purposes of this section, the term 'eligible entity' means a for-profit business, alone or in partnership with one or more of the following:

''(1) Community rehabilitation program providers.

''(2) Indian tribes.

''(3) Tribal organizations.

''(b) AUTHORITY.—A State shall use not less than one-half of one percent of the payment the State receives under section 111 for a fiscal year to award grants to eligible entities to pay for the Federal share of the cost of carrying out collaborative programs, to create practical job and career readiness and training programs, and to provide job placements and career advancement.

''(c) AWARDS.—Grants under this section shall—

''(1) be awarded for a period not to exceed 5 years; and

''(2) be awarded competitively.

''(d) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application to a designated State agency at such time, in such manner, and containing such information as such agency shall require. Such application shall include, at a minimum—

''(1) a plan for evaluating the effectiveness of the collaborative program;

''(2) a plan for collecting and reporting the data and information described under subparagraphs (A) through (C) of section 101(a)(10), as determined appropriate by the designated State agency; and

''(3) a plan for providing for the non-Federal share of the costs of the program.

''(e) ACTIVITIES.—An eligible entity receiving a grant under this section shall use the grant funds to carry out a program that provides one or more of the following:

''(1) Job development, job placement, and career advancement services for individuals with disabilities.

''(2) Training in realistic work settings in order to prepare individuals with disabilities for employment and career advancement in the competitive market.

''(3) Providing individuals with disabilities with such support services as may be required in order to maintain the employment and career advancement for which the individuals have received training.

''(f) ELIGIBILITY FOR SERVICES.—An individual shall be eligible for services provided under a program under this section if the individual is determined under section 102(a)(1) to be eligible for assistance under this title.

''(g) FEDERAL SHARE.—The Federal share for a program under this section shall not exceed 80 percent of the costs of the program.''.

SEC. 486. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

''SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

''Each State shall reserve not less than 10 percent of the funds allotted to the State under section 110(a) to carry out programs or activities under sections 101(a)(26)(B) and 103(b)(6).''.

SEC. 487. CLIENT ASSISTANCE PROGRAM.

Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) is amended by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

''(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium under the Developmental Disabilities and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.) to provide services in accordance with this section, as determined by the Secretary. The amount of such grants shall be the same as the amount provided to territories under this subsection.''.

SEC. 488. RESEARCH.

Section 204(a)(2)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 764(a)(2)(A)) is amended by striking ''VI,''.

SEC. 489. TITLE III AMENDMENTS.

Title III of the Rehabilitation Act of 1973 (29 U.S.C. 771 et seq.) is amended—

(1) in section 301(a) (21 U.S.C. 771(a))—

(A) in paragraph (2), by inserting ''and'' at the end;

(B) by striking paragraphs (3) and (4); and

(C) by redesignating paragraph (5) as paragraph (3);

(2) in section 302 (29 U.S.C. 772)—

(A) in subsection (g)—

(i) in the heading, by striking ''AND IN-SERVICE TRAINING''; and

(ii) by striking paragraph (3); and

(B) in subsection (h), by striking ''section 306'' and inserting ''section 304'';

(3) in section 303 (29 U.S.C. 773)—

(A) in subsection (b)(1), by striking ''section 306'' and inserting ''section 304''; and

(B) in subsection (c)—

(i) in paragraph (4)—

(I) by amending subparagraph (A)(ii) to read as follows:

''(ii) to coordinate activities and work closely with the parent training and information centers established pursuant to section 671 of the Individuals with Disabilities Education Act (20 U.S.C. 1471), the community parent resource centers established pursuant to section 672 of such Act (29 U.S.C. 1472), and the eligible entities receiving awards under section 673 of such Act (20 U.S.C. 1473); and''; and

(II) in subparagraph (C), by inserting '', and demonstrate the capacity for serving,'' after ''serve''; and

(ii) by adding at the end the following:

''(8) RESERVATION.—From the amount appropriated to carry out this subsection for a fiscal year, 20 percent of such amount or $500,000, whichever is less, shall be reserved to carry out paragraph (6).'';

(4) by striking sections 304 and 305 (29 U.S.C. 774, 775); and

(5) by redesignating section 306 (29 U.S.C. 776) as section 304.

SEC. 490. REPEAL OF TITLE VI.

Title VI of the Rehabilitation Act of 1973 (29 U.S.C. 795 et seq.) is repealed.

SEC. 491. TITLE VII GENERAL PROVISIONS.

(a) PURPOSE.—Section 701(3) of the Rehabilitation Act of 1973 (29 U.S.C. 796(3)) is

amended by striking ''State programs of supported employment services receiving assistance under part B of title VI,''.

(b) CHAIRPERSON.—Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''.

SEC. 492. AUTHORIZATIONS OF APPROPRIATIONS.

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is further amended—

(1) in section 100 (29 U.S.C. 720)—

(A) in subsection (b)(1), by striking ''such sums as may be necessary for fiscal years 1999 through 2003'' and inserting ''$3,121,712,000 for fiscal year 2015 and each of the 6 succeeding fiscal years''; and

(B) in subsection (d)(1)(B), by striking ''2003'' and inserting ''2021'';

(2) in section 110(c) (29 U.S.C. 730(c)), by amending paragraph (2) to read as follows:

''(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2015 through 2020.'';

(3) in section 112(h) (29 U.S.C. 732(h)), by striking ''such sums as may be necessary for fiscal years 1999 through 2003'' and inserting ''$12,240,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(4) by amending subsection (a) of section 201 (29 U.S.C. 761(a)) to read as follows: ''(a) There are authorized to be appropriated $108,817,000 for fiscal year 2015 and each of the 6 succeeding fiscal years to carry out this title.'';

(5) in section 302(i) (29 U.S.C. 772(i)), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$35,515,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(6) in section 303(e) (29 U.S.C. 773(e)), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$5,325,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(7) in section 405 (29 U.S.C. 785), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$3,258,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(8) in section 502(j) (29 U.S.C. 792(j)), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$7,400,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(9) in section 509(l) (29 U.S.C. 794e(l)), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$18,031,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(10) in section 714 (29 U.S.C. 796e–3), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$23,359,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(11) in section 727 (29 U.S.C. 796f–6), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$79,953,000 for fiscal year 2015 and each of the 6 succeeding fiscal years''; and

(12) in section 753 (29 U.S.C. 796l), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$34,018,000 for fiscal year 2015 and each of the 6 succeeding fiscal years''.

SEC. 493. CONFORMING AMENDMENTS.

Section 1(b) of the Rehabilitation Act of 1973 is amended—

(1) by inserting after the item relating to section 109 the following:

''Sec. 109A. Collaboration with industry.'';

(2) by inserting after the item relating to section 110 the following:

''Sec. 110A. Reservation for expanded transition services.'';

(3) by striking the item related to section 304 and inserting the following:

''Sec. 304. Measuring of project outcomes and performance.'';

(4) by striking the items related to sections 305 and 306;

(5) by striking the items related to title VI; and

(6) by striking the item related to section 706 and inserting the following:

''Sec. 706. Responsibilities of the Director.''.

Subtitle F—Studies by the Comptroller General

SEC. 496. STUDY BY THE COMPTROLLER GENERAL ON EXHAUSTING FEDERAL PELL GRANTS BEFORE ACCESSING WIA FUNDS.

Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States shall complete and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that—

(1) evaluates the effectiveness of subparagraph (B) of section 134(d)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)(4)(B)) (as such subparagraph was in effect on the day before the date of enactment of this Act), including—

(A) a review of the regulations and guidance issued by the Secretary of Labor to State and local areas on how to comply with such subparagraph;

(B) a review of State policies to determine how local areas are required to comply with such subparagraph;

(C) a review of local area policies to determine how one-stop operators are required to comply with such subparagraph; and

(D) a review of a sampling of individuals receiving training services under section 134(d)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)(4)) to determine if, before receiving such training services, such individuals have exhausted funds received through the Federal Pell Grant program under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

(2) makes appropriate recommendations with respect to the matters evaluated under paragraph (1).

SEC. 497. STUDY BY THE COMPTROLLER GENERAL ON ADMINISTRATIVE COST SAVINGS.

(a) STUDY.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General of the United States shall complete and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that—

(1) determines the amount of administrative costs at the Federal and State levels for the most recent fiscal year for which satisfactory data are available for—

(A) each of the programs authorized under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) or repealed under section 401 of this Act, as such programs were in effect for such fiscal year; and

(B) each of the programs described in subparagraph (A) that have been repealed or consolidated on or after the date of enactment of this Act;

(2) determines the amount of administrative cost savings at the Federal and State levels as a result of repealing and consolidating programs by calculating the differences in the amount of administrative costs between subparagraph (A) and subparagraph (B) of paragraph (1); and

(3) estimates the administrative cost savings at the Federal and State levels for a fiscal year as a result of States consolidating amounts under section 501(e) of the Workforce Investment Act of 1998 (20 U.S.C. 9271(e)) to reduce inefficiencies in the administration of federally-funded State and local employment and training programs.

(b) DEFINITION.—For purposes of this section, the term ''administrative costs'' has the meaning given the term in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).

TITLE V—OFFSET

SEC. 501. NONDEFENSE DISCRETIONARY SPENDING.

Section 251(c)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''$492,356,000,000'' and inserting ''$482,356,000,000''.

SA 2623. Mr. MCCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) IN GENERAL.—This Act may be cited as the ''Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—MILITARY HEROES' PENSIONS

SEC. 101. REPEAL OF REDUCTIONS MADE BY BIPARTISAN BUDGET ACT OF 2013.

Section 403 of the Bipartisan Budget Act of 2013 is repealed as of the date of the enactment of such Act.

TITLE II—FAMILY HEALTH FAIRNESS

SEC. 201. DELAY IN APPLICATION OF INDIVIDUAL HEALTH INSURANCE MANDATE.

(a) IN GENERAL.—Section 5000A(a) of the Internal Revenue Code of 1986 is amended by striking ''2013'' and inserting ''2014''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5000A(c)(2)(B) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''2014'' in clause (i) and inserting ''2015'', and

(B) by striking ''2015'' in clauses (ii) and (iii) and inserting ''2016''.

(2) Section 5000A(c)(3)(B) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2015'' (prior to amendment by subparagraph (A)) and inserting ''2016''.

(3) Section 5000A(c)(3)(D) of such Code is amended—

(A) by striking ''2016'' and inserting ''2017'', and

(B) by striking ''2015'' and inserting ''2016''.

(4) Section 5000A(e)(1)(D) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2013'' and inserting ''2014''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 1501 of the Patient Protection and Affordable Care Act.

TITLE III—UNEMPLOYMENT PROVISIONS

SEC. 301. EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) EXTENSION.—Section 4007(a)(2) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''January 1, 2014'' and inserting ''January 1, 2015''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by inserting ''and'' at the end; and

(3) by inserting after subparagraph (J) the following:

''(K) the amendment made by section 301(a) of the Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 302. TEMPORARY EXTENSION OF EXTENDED BENEFIT PROVISIONS.

(a) IN GENERAL.—Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note), is amended—

(1) by striking ''December 31, 2013'' each place it appears and inserting ''December 31, 2014''; and

(2) in subsection (c), by striking ''June 30, 2014'' and inserting ''June 30, 2015''.

(b) EXTENSION OF MATCHING FOR STATES WITH NO WAITING WEEK.—Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''June 30, 2014'' and inserting ''June 30, 2015''.

(c) EXTENSION OF MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) in subsection (d), by striking ''December 31, 2013'' and inserting ''December 31, 2014''; and

(2) in subsection (f)(2), by striking ''December 31, 2013'' and inserting ''December 31, 2014''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 303. EXTENSION OF FUNDING FOR REEMPLOYMENT SERVICES AND REEMPLOYMENT AND ELIGIBILITY ASSESSMENT ACTIVITIES.

(a) IN GENERAL.—Section 4004(c)(2)(A) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''through fiscal year 2014'' and inserting ''through fiscal year 2015''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 304. ADDITIONAL EXTENDED UNEMPLOYMENT BENEFITS UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

(a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Railroad Unemployment Insurance Act (45 U.S.C. 352(c)(2)(D)(iii)) is amended—

(1) by striking ''June 30, 2013'' and inserting ''June 30, 2014''; and

(2) by striking ''December 31, 2013'' and inserting ''December 31, 2014''.

(b) CLARIFICATION ON AUTHORITY TO USE FUNDS.—Funds appropriated under either the first or second sentence of clause (iv) of section 2(c)(2)(D) of the Railroad Unemployment Insurance Act shall be available to cover the cost of additional extended unemployment benefits provided under such section 2(c)(2)(D) by reason of the amendments made by subsection (a) as well as to cover the cost of such benefits provided under such section 2(c)(2)(D), as in effect on the day before the date of enactment of this Act.

(c) FUNDING FOR ADMINISTRATION.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Railroad Retirement Board $250,000 for administrative expenses associated with the payment of additional extended unemployment benefits provided under section 2(c)(2)(D) of the Railroad Unemployment Insurance Act by reason of the amendments made by subsection (a), to remain available until expended.

SEC. 305. REPEAL OF NONREDUCTION RULE UNDER THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) IN GENERAL.—Subsection (g) of section 4001 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to weeks of unemployment beginning on or after the date of the enactment of this Act.

(c) PERMITTING A SUBSEQUENT AGREEMENT.—Nothing in title IV of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) shall preclude a State whose agreement under such title was terminated from entering into a subsequent agreement under such title on or after the date of the enactment of this Act if the State, taking into account the application of the amendment made by subsection (a), would otherwise meet the requirements for an agreement under such title.

TITLE IV—OTHER PROVISIONS

SEC. 401. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after March 2014.

SA 2624. Mr. MCCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) IN GENERAL.—This Act may be cited as the ''Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—MILITARY HEROES' PENSIONS

SEC. 101. REPEAL OF REDUCTIONS MADE BY BIPARTISAN BUDGET ACT OF 2013.

Section 403 of the Bipartisan Budget Act of 2013 is repealed as of the date of the enactment of such Act.

TITLE II—FAMILY HEALTH FAIRNESS

SEC. 201. DELAY IN APPLICATION OF INDIVIDUAL HEALTH INSURANCE MANDATE.

(a) IN GENERAL.—Section 5000A(a) of the Internal Revenue Code of 1986 is amended by striking ''2013'' and inserting ''2014''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5000A(c)(2)(B) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''2014'' in clause (i) and inserting ''2015'', and

(B) by striking ''2015'' in clauses (ii) and (iii) and inserting ''2016''.

(2) Section 5000A(c)(3)(B) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2015'' (prior to amendment by subparagraph (A)) and inserting ''2016''.

(3) Section 5000A(c)(3)(D) of such Code is amended—

(A) by striking ''2016'' and inserting ''2017'', and

(B) by striking ''2015'' and inserting ''2016''.

(4) Section 5000A(e)(1)(D) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2013'' and inserting ''2014''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 1501 of the Patient Protection and Affordable Care Act.

TITLE III—UNEMPLOYMENT PROVISIONS

SEC. 301. EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) EXTENSION.—Section 4007(a)(2) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''January 1, 2014'' and inserting ''October 1, 2014''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by inserting ''and'' at the end; and

(3) by inserting after subparagraph (J) the following:

''(K) the amendment made by section 301(a) of the Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 302. TEMPORARY EXTENSION OF EXTENDED BENEFIT PROVISIONS.

(a) IN GENERAL.—Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note), is amended—

(1) by striking ''December 31, 2013'' each place it appears and inserting ''September 30, 2014''; and

(2) in subsection (c), by striking ''June 30, 2014'' and inserting ''March 31, 2015''.

(b) EXTENSION OF MATCHING FOR STATES WITH NO WAITING WEEK.—Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''June 30, 2014'' and inserting ''March 31, 2015''.

(c) EXTENSION OF MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) in subsection (d), by striking ''December 31, 2013'' and inserting ''September 30, 2014''; and

(2) in subsection (f)(2), by striking ''December 31, 2013'' and inserting ''September 30, 2014''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 303. EXTENSION OF FUNDING FOR REEMPLOYMENT SERVICES AND REEMPLOYMENT AND ELIGIBILITY ASSESSMENT ACTIVITIES.

(a) IN GENERAL.—Section 4004(c)(2)(A) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''through fiscal year 2014'' and inserting ''through the third quarter of fiscal year 2015''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 304. ADDITIONAL EXTENDED UNEMPLOYMENT BENEFITS UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

(a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Railroad Unemployment Insurance Act (45 U.S.C. 352(c)(2)(D)(iii)) is amended—

(1) by striking ''June 30, 2013'' and inserting ''March 31, 2014''; and

(2) by striking ''December 31, 2013'' and inserting ''September 30, 2014''.

(b) CLARIFICATION ON AUTHORITY TO USE FUNDS.—Funds appropriated under either the first or second sentence of clause (iv) of section 2(c)(2)(D) of the Railroad Unemployment Insurance Act shall be available to cover the cost of additional extended unemployment benefits provided under such section 2(c)(2)(D) by reason of the amendments made by subsection (a) as well as to cover the cost of such benefits provided under such section 2(c)(2)(D), as in effect on the day before the date of enactment of this Act.

(c) FUNDING FOR ADMINISTRATION.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Railroad Retirement Board $187,500 for administrative expenses associated with the payment of additional extended unemployment benefits provided under section 2(c)(2)(D) of the Railroad Unemployment Insurance Act by reason of the amendments made by subsection (a), to remain available until expended.

SEC. 305. REPEAL OF NONREDUCTION RULE UNDER THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) IN GENERAL.—Subsection (g) of section 4001 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to weeks of unemployment beginning on or after the date of the enactment of this Act.

(c) PERMITTING A SUBSEQUENT AGREEMENT.—Nothing in title IV of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) shall preclude a State whose agreement under such title was terminated from entering into a subsequent agreement under such title on or after the date of the enactment of this Act if the State, taking into account the application of the amendment made by subsection (a), would otherwise meet the requirements for an agreement under such title.

TITLE IV—OTHER PROVISIONS

SEC. 401. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after March 2014.

SA 2625. Mr. MCCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) IN GENERAL.—This Act may be cited as the ''Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—MILITARY HEROES' PENSIONS

SEC. 101. REPEAL OF REDUCTIONS MADE BY BIPARTISAN BUDGET ACT OF 2013.

Section 403 of the Bipartisan Budget Act of 2013 is repealed as of the date of the enactment of such Act.

TITLE II—FAMILY HEALTH FAIRNESS

SEC. 201. DELAY IN APPLICATION OF INDIVIDUAL HEALTH INSURANCE MANDATE.

(a) IN GENERAL.—Section 5000A(a) of the Internal Revenue Code of 1986 is amended by striking ''2013'' and inserting ''2014''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5000A(c)(2)(B) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''2014'' in clause (i) and inserting ''2015'', and

(B) by striking ''2015'' in clauses (ii) and (iii) and inserting ''2016''.

(2) Section 5000A(c)(3)(B) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2015'' (prior to amendment by subparagraph (A)) and inserting ''2016''.

(3) Section 5000A(c)(3)(D) of such Code is amended—

(A) by striking ''2016'' and inserting ''2017'', and

(B) by striking ''2015'' and inserting ''2016''.

(4) Section 5000A(e)(1)(D) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2013'' and inserting ''2014''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 1501 of the Patient Protection and Affordable Care Act.

TITLE III—UNEMPLOYMENT PROVISIONS

SEC. 301. EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) EXTENSION.—Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended to read as follows:

''APPLICABILITY

''SEC. 4007. (a) IN GENERAL.—Except as provided in subsection (b), an agreement entered into under this title shall apply to weeks of unemployment—

''(1) beginning after the date on which such agreement is entered into; and

''(2) ending on or before July 1, 2014.

''(b) TRANSITION FOR AMOUNT REMAINING IN ACCOUNT.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of an individual who has amounts remaining in an account established under section 4002 as of the last day of the last week (as determined in accordance with the applicable State law) ending on or before July 1, 2014, emergency unemployment compensation shall continue to be payable to such individual from such amounts for any week beginning after such last day for which the individual meets the eligibility requirements of this title.

''(2) NO AUGMENTATION AFTER JULY 1, 2014.—If the amount established in an individual's account under subsection (b)(1) is exhausted after July 1, 2014, then subsections (c), (d) and (e) of section 4002 shall not apply and such account shall not be augmented under such section, regardless of whether such individual's State is in an extended benefit period (as determined under paragraph (2) of such subsection (c), (d), or (e) (as the case may be)).

''(3) TERMINATION.—No compensation under this title shall be payable for any week beginning after September 30, 2014.''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by inserting ''and'' at the end; and

(3) by inserting after subparagraph (J) the following:

''(K) the amendment made by section 301(a) of the Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 302. TEMPORARY EXTENSION OF EXTENDED BENEFIT PROVISIONS.

(a) IN GENERAL.—Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note), is amended—

(1) by striking ''December 31, 2013'' each place it appears and inserting ''June 30, 2014''; and

(2) in subsection (c), by striking ''June 30, 2014'' and inserting ''December 31, 2014''.

(b) EXTENSION OF MATCHING FOR STATES WITH NO WAITING WEEK.—Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''June 30, 2014'' and inserting ''December 31, 2014''.

(c) EXTENSION OF MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) in subsection (d), by striking ''December 31, 2013'' and inserting ''June 30, 2014''; and

(2) in subsection (f)(2), by striking ''December 31, 2013'' and inserting ''June 30, 2014''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 303. EXTENSION OF FUNDING FOR REEMPLOYMENT SERVICES AND REEMPLOYMENT AND ELIGIBILITY ASSESSMENT ACTIVITIES.

(a) IN GENERAL.—Section 4004(c)(2)(A) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''through fiscal year 2014'' and inserting ''through the second quarter of fiscal year 2015''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 304. ADDITIONAL EXTENDED UNEMPLOYMENT BENEFITS UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

(a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Railroad Unemployment Insurance Act (45 U.S.C. 352(c)(2)(D)(iii)) is amended—

(1) by striking ''June 30, 2013'' and inserting ''December 31, 2013''; and

(2) by striking ''December 31, 2013'' and inserting ''June 30, 2014''.

(b) CLARIFICATION ON AUTHORITY TO USE FUNDS.—Funds appropriated under either the first or second sentence of clause (iv) of section 2(c)(2)(D) of the Railroad Unemployment Insurance Act shall be available to cover the cost of additional extended unemployment benefits provided under such section 2(c)(2)(D) by reason of the amendments made by subsection (a) as well as to cover the cost of such benefits provided under such section 2(c)(2)(D), as in effect on the day before the date of enactment of this Act.

(c) FUNDING FOR ADMINISTRATION.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Railroad Retirement Board $125,000 for administrative expenses associated with the payment of additional extended unemployment benefits provided under section 2(c)(2)(D) of the Railroad Unemployment Insurance Act by reason of the amendments made by subsection (a), to remain available until expended.

SEC. 305. REPEAL OF NONREDUCTION RULE UNDER THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) IN GENERAL.—Subsection (g) of section 4001 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to weeks of unemployment beginning on or after the date of the enactment of this Act.

(c) PERMITTING A SUBSEQUENT AGREEMENT.—Nothing in title IV of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) shall preclude a State whose agreement under such title was terminated from entering into a subsequent agreement under such title on or after the date of the enactment of this Act if the State, taking into account the application of the amendment made by subsection (a), would otherwise meet the requirements for an agreement under such title.

TITLE IV—OTHER PROVISIONS

SEC. 401. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after March 2014.

SA 2626. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for

the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. ACCOUNTABILITY THROUGH ELECTRONIC VERIFICATION.

(a) SHORT TITLE.—This section may be cited as the ''Accountability Through Electronic Verification Act''.

(b) PERMANENT REAUTHORIZATION.—Section 401(b) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208; 8 U.S.C. 1324a note) is amended by striking ''Unless the Congress otherwise provides, the Secretary of Homeland Security shall terminate a pilot program on September 30, 2015.''.

(c) MANDATORY USE OF E-VERIFY.—Section 402 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended—

(1) in subsection (e)—

(A) in paragraph (1)—

(i) by amending subparagraph (A) to read as follows:

''(A) EXECUTIVE DEPARTMENTS AND AGENCIES.—Each department and agency of the Federal Government shall participate in E-Verify by complying with the terms and conditions set forth in this section.''; and

(ii) in subparagraph (B), by striking '', that conducts hiring in a State'' and all that follows and inserting ''shall participate in E-Verify by complying with the terms and conditions set forth in this section.'';

(B) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(C) by inserting after paragraph (1) the following:

''(2) UNITED STATES CONTRACTORS.—Any person, employer, or other entity that enters into a contract with the Federal Government shall participate in E-Verify by complying with the terms and conditions set forth in this section.

''(3) DESIGNATION OF CRITICAL EMPLOYERS.—Not later than 7 days after the date of the enactment of this paragraph, the Secretary of Homeland Security shall—

''(A) conduct an assessment of employers that are critical to the homeland security or national security needs of the United States;

''(B) designate and publish a list of employers and classes of employers that are deemed to be critical pursuant to the assessment conducted under subparagraph (A); and

''(C) require that critical employers designated pursuant to subparagraph (B) participate in E-Verify by complying with the terms and conditions set forth in this section not later than 30 days after the Secretary makes such designation.''.

(2) by redesignating subsection (f) as subsection (g); and

(3) by inserting after subsection (e) the following:

''(f) MANDATORY PARTICIPATION IN E-VERIFY.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), all employers in the United States shall participate in E-Verify, with respect to all employees recruited, referred, or hired by such employer on or after the date that is 1 year after the date of the enactment of this subsection.

''(2) USE OF CONTRACT LABOR.—Any employer who uses a contract, subcontract, or exchange to obtain the labor of an individual in the United States shall certify in such contract, subcontract, or exchange that the employer uses E-Verify. If such certification is not included in a contract, subcontract, or exchange, the employer shall be deemed to have violated paragraph (1).

''(3) INTERIM MANDATORY PARTICIPATION.—

''(A) IN GENERAL.—Before the date set forth in paragraph (1), the Secretary of Homeland Security shall require any employer or class of employers to participate in E-Verify, with respect to all employees recruited, referred, or hired by such employer if the Secretary has reasonable cause to believe that the employer is or has been engaged in a material violation of section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a).

''(B) NOTIFICATION.—Not later than 14 days before an employer or class of employers is required to begin participating in E-Verify pursuant to subparagraph (A), the Secretary shall provide such employer or class of employers with—

''(i) written notification of such requirement; and

''(ii) appropriate training materials to facilitate compliance with such requirement.''.

(d) CONSEQUENCES OF FAILURE TO PARTICIPATE.—

(1) IN GENERAL.—Section 402(e)(5) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note), as redesignated by subsection (c)(1)(B), is amended to read as follows:

''(5) CONSEQUENCES OF FAILURE TO PARTICIPATE.—If a person or other entity that is required to participate in E-Verify fails to comply with the requirements under this title with respect to an individual—

''(A) such failure shall be treated as a violation of section 274A(a)(1)(B) with respect to such individual; and

''(B) a rebuttable presumption is created that the person or entity has violated section 274A(a)(1)(A).''.

(2) PENALTIES.—Section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a) is amended—

(A) in subsection (e)—

(i) in paragraph (4)—

(I) in subparagraph (A), in the matter preceding clause (i), by inserting '', subject to paragraph (10),'' after ''in an amount'';

(II) in subparagraph (A)(i), by striking ''not less than $250 and not more than $2,000'' and inserting ''not less than $2,500 and not more than $5,000'';

(III) in subparagraph (A)(ii), by striking ''not less than $2,000 and not more than $5,000'' and inserting ''not less than $5,000 and not more than $10,000'';

(IV) in subparagraph (A)(iii), by striking ''not less than $3,000 and not more than $10,000'' and inserting ''not less than $10,000 and not more than $25,000''; and

(V) by amending subparagraph (B) to read as follows:

''(B) may require the person or entity to take such other remedial action as is appropriate.'';

(ii) in paragraph (5)—

(I) by inserting '', subject to paragraphs (10) through (12),'' after ''in an amount'';

(II) by striking ''$100'' and inserting ''$1,000'';

(III) by striking ''$1,000'' and inserting ''$25,000'';

(IV) by striking ''the size of the business of the employer being charged, the good faith of the employer'' and inserting ''the good faith of the employer being charged''; and

(V) by adding at the end the following: ''Failure by a person or entity to utilize the employment eligibility verification system as required by law, or providing information to the system that the person or entity knows or reasonably believes to be false, shall be treated as a violation of subsection (a)(1)(A).''; and

(iii) by adding at the end the following:

''(10) EXEMPTION FROM PENALTY.—In the case of imposition of a civil penalty under paragraph (4)(A) with respect to a violation of subsection (a)(1)(A) or (a)(2) for hiring or continuation of employment or recruitment or referral by person or entity and in the case of imposition of a civil penalty under paragraph (5) for a violation of subsection (a)(1)(B) for hiring or recruitment or referral by a person or entity, the penalty otherwise imposed may be waived or reduced if the violator establishes that the violator acted in good faith.

''(11) AUTHORITY TO DEBAR EMPLOYERS FOR CERTAIN VIOLATIONS.—

''(A) IN GENERAL.—If a person or entity is determined by the Secretary of Homeland Security to be a repeat violator of paragraph (1)(A) or (2) of subsection (a), or is convicted of a crime under this section, such person or entity may be considered for debarment from the receipt of Federal contracts, grants, or cooperative agreements in accordance with the debarment standards and pursuant to the debarment procedures set forth in the Federal Acquisition Regulation.

''(B) DOES NOT HAVE CONTRACT, GRANT, AGREEMENT.—If the Secretary of Homeland Security or the Attorney General wishes to have a person or entity considered for debarment in accordance with this paragraph, and such an person or entity does not hold a Federal contract, grant or cooperative agreement, the Secretary or Attorney General shall refer the matter to the Administrator of General Services to determine whether to list the person or entity on the List of Parties Excluded from Federal Procurement, and if so, for what duration and under what scope.

''(C) HAS CONTRACT, GRANT, AGREEMENT.—If the Secretary of Homeland Security or the Attorney General wishes to have a person or entity considered for debarment in accordance with this paragraph, and such person or entity holds a Federal contract, grant or cooperative agreement, the Secretary or Attorney General shall advise all agencies or departments holding a contract, grant, or cooperative agreement with the person or entity of the Government's interest in having the person or entity considered for debarment, and after soliciting and considering the views of all such agencies and departments, the Secretary or Attorney General may waive the operation of this paragraph or refer the matter to any appropriate lead agency to determine whether to list the person or entity on the List of Parties Excluded from Federal Procurement, and if so, for what duration and under what scope.

''(D) REVIEW.—Any decision to debar a person or entity under in accordance with this paragraph shall be reviewable pursuant to part 9.4 of the Federal Acquisition Regulation.''; and

(B) in subsection (f)—

(i) by amending paragraph (1) to read as follows:

''(1) CRIMINAL PENALTY.—Any person or entity which engages in a pattern or practice of violations of subsection (a)(1) or (2) shall be fined not more than $15,000 for each unauthorized alien with respect to which such a violation occurs, imprisoned for not less than 1 year and not more than 10 years, or both, notwithstanding the provisions of any other Federal law relating to fine levels.''; and

(ii) in paragraph (2), by striking ''Attorney General'' each place it appears and inserting ''Secretary of Homeland Security''.

(e) PREEMPTION; LIABILITY.—Section 402 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note), as amended by this section, is further amended by adding at the end the following:

''(h) LIMITATION ON STATE AUTHORITY.—

''(1) PREEMPTION.—A State or local government may not prohibit a person or other entity from verifying the employment authorization of new hires or current employees through E-Verify.

''(2) LIABILITY.—A person or other entity that participates in E-Verify may not be held liable under any Federal, State, or local law for any employment-related action taken with respect to the wrongful termination of an individual in good faith reliance on information provided through E-Verify.''.

(f) EXPANDED USE OF E-VERIFY.—Section 403(a)(3)(A) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended to read as follows:

''(A) IN GENERAL.—

''(i) BEFORE HIRING.—The person or other entity may verify the employment eligibility of an individual through E-Verify before the individual is hired, recruited, or referred if the individual consents to such verification. If an employer receives a tentative nonconfirmation for an individual, the employer shall comply with procedures prescribed by the Secretary, including—

''(I) providing the individual employees with private, written notification of the finding and written referral instructions;

''(II) allowing the individual to contest the finding; and

''(III) not taking adverse action against the individual if the individual chooses to contest the finding.

''(ii) AFTER EMPLOYMENT OFFER.—The person or other entity shall verify the employment eligibility of an individual through E-Verify not later than 3 days after the date of the hiring, recruitment, or referral, as the case may be.

''(iii) EXISTING EMPLOYEES.—Not later than 3 years after the date of the enactment of the Accountability Through Electronic Verification Act, the Secretary shall require all employers to use E-Verify to verify the identity and employment eligibility of any individual who has not been previously verified by the employer through E-Verify.''.

(g) REVERIFICATION.—Section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by adding at the end the following:

''(5) REVERIFICATION.—Each person or other entity participating in E-Verify shall use the E-Verify confirmation system to reverify the work authorization of any individual not later than 3 days after the date on which such individual's employment authorization is scheduled to expire (as indicated by the Secretary or the documents provided to the employer pursuant to section 274A(b) of the Immigration and Nationality Act (8 U.S.C. 1324a(b))), in accordance with the procedures set forth in this subsection and section 402.''.

(h) HOLDING EMPLOYERS ACCOUNTABLE.—

(1) CONSEQUENCES OF NONCONFIRMATION.—Section 403(a)(4)(C) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended to read as follows:

''(C) CONSEQUENCES OF NONCONFIRMATION.—

''(i) TERMINATION AND NOTIFICATION.—If the person or other entity receives a final nonconfirmation regarding an individual, the employer shall immediately—

''(I) terminate the employment, recruitment, or referral of the individual; and

''(II) submit to the Secretary any information relating to the individual that the Secretary determines would assist the Secretary in enforcing or administering United States immigration laws.

''(ii) CONSEQUENCE OF CONTINUED EMPLOYMENT.—If the person or other entity continues to employ, recruit, or refer the individual after receiving final nonconfirmation, a rebuttable presumption is created that the employer has violated section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a).''.

(2) INTERAGENCY NONCONFIRMATION REPORT.—Section 405 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by adding at the end the following:

''(c) INTERAGENCY NONCONFIRMATION REPORT.—

''(1) IN GENERAL.—The Director of U.S. Citizenship and Immigration Services shall submit a weekly report to the Assistant Secretary of Immigration and Customs Enforcement that includes, for each individual who receives final nonconfirmation through E-Verify—

''(A) the name of such individual;

''(B) his or her Social Security number or alien file number;

''(C) the name and contact information for his or her current employer; and

''(D) any other critical information that the Assistant Secretary determines to be appropriate.

''(2) USE OF WEEKLY REPORT.—The Secretary of Homeland Security shall use information provided under paragraph (1) to enforce compliance of the United States immigration laws.''.

(i) INFORMATION SHARING.—The Commissioner of Social Security, the Secretary of Homeland Security, and the Secretary of the Treasury shall jointly establish a program to share information among such agencies that may or could lead to the identification of unauthorized aliens (as defined in section 274A(h)(3) of the Immigration and Nationality Act), including any no-match letter and any information in the earnings suspense file.

(j) FORM I–9 PROCESS.—Not later than 9 months after date of the enactment of this Act, the Secretary of Homeland Security shall submit a report to Congress that contains recommendations for—

(1) modifying and simplifying the process by which employers are required to complete and retain a Form I–9 for each employee pursuant to section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a); and

(2) eliminating the process described in paragraph (1).

(k) ALGORITHM.—Section 404(d) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended to read as follows:

''(d) DESIGN AND OPERATION OF SYSTEM.—E-Verify shall be designed and operated—

''(1) to maximize its reliability and ease of use by employers;

''(2) to insulate and protect the privacy and security of the underlying information;

''(3) to maintain appropriate administrative, technical, and physical safeguards to prevent unauthorized disclosure of personal information;

''(4) to respond accurately to all inquiries made by employers on whether individuals are authorized to be employed;

''(5) to register any times when E-Verify is unable to receive inquiries;

''(6) to allow for auditing use of the system to detect fraud and identify theft;

''(7) to preserve the security of the information in all of the system by—

''(A) developing and using algorithms to detect potential identity theft, such as multiple uses of the same identifying information or documents;

''(B) developing and using algorithms to detect misuse of the system by employers and employees;

''(C) developing capabilities to detect anomalies in the use of the system that may indicate potential fraud or misuse of the system; and

''(D) auditing documents and information submitted by potential employees to employers, including authority to conduct interviews with employers and employees;

''(8) to confirm identity and work authorization through verification of records maintained by the Secretary, other Federal departments, States, the Commonwealth of the Northern Mariana Islands, or an outlying possession of the United States, as determined necessary by the Secretary, including—

''(A) records maintained by the Social Security Administration;

''(B) birth and death records maintained by vital statistics agencies of any State or other jurisdiction in the United States;

''(C) passport and visa records (including photographs) maintained by the Department of State; and

''(D) State driver's license or identity card information (including photographs) maintained by State department of motor vehicles;

''(9) to electronically confirm the issuance of the employment authorization or identity document; and

''(10) to display the digital photograph that the issuer placed on the document so that the employer can compare the photograph displayed to the photograph on the document presented by the employee or, in exceptional cases, if a photograph is not available from the issuer, to provide for a temporary alternative procedure, specified by the Secretary, for confirming the authenticity of the document.''.

(l) IDENTITY THEFT.—Section 1028 of title 18, United States Code, is amended—

(1) in subsection (a)(7), by striking ''of another person'' and inserting ''that is not his or her own''; and

(2) in subsection (b)(3)—

(A) in subparagraph (B), by striking ''or'' at the end;

(B) in subparagraph (C), by adding ''or'' at the end; and

(C) by adding at the end the following:

''(D) to facilitate or assist in harboring or hiring unauthorized workers in violation of section 274, 274A, or 274C of the Immigration and Nationality Act (8 U.S.C. 1324, 1324a, and 1324c).''.

(m) SMALL BUSINESS DEMONSTRATION PROGRAM.—Section 403 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) SMALL BUSINESS DEMONSTRATION PROGRAM.—Not later than 9 months after the date of the enactment of the Accountability Through Electronic Verification Act, the Director of U.S. Citizenship and Immigration Services shall establish a demonstration program that assists small businesses in rural areas or areas without internet capabilities to verify the employment eligibility of newly hired employees solely through the use of publicly accessible internet terminals.''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. MARKEY. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on January 8, 2014, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. MARKEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate, on January 8, 2014, at 10 a.m., in room SD–226 of the Dirksen Senate Office Building, to conduct a hearing entitled ''Nominations.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER PROTECTION

Mr. MARKEY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer Protection be authorized to meet during the session of the Senate on January 8, 2014, at 10 a.m., to conduct a hearing entitled ''Examining the GAO Report on Government Support For Bank Holding Companies.''

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. COONS. Mr. President, I ask unanimous consent that the privilege of the floor be granted to Julia Sferlazzo for the pendency of this Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I ask unanimous consent that Gregory Shanahan and Lemi Tilahun of my staff be granted floor privileges for the duration of today's proceedings.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that the following staff of the Finance Committee be granted the privilege of the floor for the remainder of this session: Harrison Covall, Caroline Frauman, and Maureen Downes.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE: REGISTRATION OF MASS MAILINGS

The filing date for the 2013 fourth quarter Mass Mailing report is Monday, January 27, 2014. If your office did no mass mailings during this period, please submit a form that states ''none.''

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, D.C. 20510–7116.

The Senate Office of Public Records will be open from 9:00 a.m. to 6:00 p.m. on the filing date to accept these filings. For further information, please contact the Senate Office of Public Records at (202) 224–0322.

The PRESIDING OFFICER. The majority leader.

UNEMPLOYMENT INSURANCE

Mr. REID. Mr. President, there will be no rollcall votes tonight.

I think as most people know, though it bears reiterating, I oppose paying for a short-term extension of unemployment insurance benefits. The current level of long-term unemployment is an economic emergency, without any question, and this would be very unfair to the people who are desperately in need of help, to say we are happy to give you this money, but we are going to take something else out of the economy to do that. We are not going to do that. I think that would be wrong.

Having said that, there are a number of Senators who are having productive conversations about possible offsets, one of whom is on the floor today, my friend, the Senator from Ohio. He is someone who understands finances, as he was head of the Office of Management and Budget. So whenever we have him working on the numbers, we are always dealing with someone who knows what they are talking about. I don't always agree with his conclusions, but certainly he is a person whom we all look to for guidance in this area.

As I said here a few hours ago, the Republicans feel this should be paid for. Let's find out how they feel it should be paid for. Again, we on this side don't want to pay for a short-term extension. If it is going to be paid for, we should figure out in years how to pay for it. That would be much better than this nickel-and-diming. We have tried to do it for 3 months, paid for, but I would almost bet it will not get done. So we should, if we are going to have pay-fors, try to figure out how to do it for 1 year.

We should let the conversations go on overnight. I have spoken to a number of Republican Senators; and, of course, I want to assert every bit of influence, help, pressure, whatever you want to say, to try to get this done for a number of reasons, not the least of which is that among a number of cosponsors of this is the junior Senator from Nevada. This is an example of bipartisanship and how it should work. We have one of the most liberal Members of the Senate and one of the most conservative Members of the Senate who have introduced this legislation, and that is what we are working on now.

So I repeat, I hope the conversations continue overnight and we will see where we are in the morning.

I do have a few other things here, and I will be as fast as possible.

TO REDESIGNATE THE DRYDEN FLIGHT RESEARCH CENTER AS THE NEIL A. ARMSTRONG FLIGHT RESEARCH CENTER AND THE WESTERN AERONAUTICAL TEST RANGE AS THE HUGH L. DRYDEN AERONAUTICAL TEST RANGE

Mr. REID. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further work on H.R. 667, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER (Mr. BLUMENTHAL). Without objection, it is so ordered.

The clerk will report the bill by title.

The bill clerk read as follows:

A bill (H.R. 667) to redesignate the Dryden Flight Research Center as the Neil A. Armstrong Flight Research Center and the Western Aeronautical Test Range as the Hugh L. Dryden Aeronautical Test Range.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. I further ask unanimous consent that the bill be read a third time and passed and the motion to reconsider be considered made and laid upon the table, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 667) was ordered to a third reading, was read the third time, and passed.

AMENDING THE CONTROLLED SUBSTANCES ACT

Mr. REID. I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. 1171 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The bill clerk read as follows:

A bill (S. 1171) to amend the Controlled Substances Act to allow a veterinarian to transport and dispense controlled substances in the usual course of veterinary practice outside of the registered location.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. I ask unanimous consent that the bill be read a third time, passed, and the motion to reconsider be considered made and laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1171) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1171

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRANSPORTING AND DISPENSING CONTROLLED SUBSTANCES IN THE USUAL COURSE OF VETERINARY PRACTICE.

Section 302(e) of the Controlled Substances Act (21 U.S.C. 822(e)) is amended—

(1) by striking ''(e)'' and inserting ''(e)(1)''; and

(2) by adding at the end the following:

''(2) Notwithstanding paragraph (1), a registrant who is a veterinarian shall not be required to have a separate registration in order to transport and dispense controlled substances in the usual course of veterinary practice at a site other than the registrant's registered principal place of business or professional practice, so long as the site of transporting and dispensing is located in a State where the veterinarian is licensed to practice veterinary medicine and is not a principal place of business or professional practice.''.

ORDERS FOR THURSDAY, JANUARY 9, 2014

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 10 a.m. tomorrow, January 9, 2014; that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, and the time for the two leaders be reserved for their use later in the day; that following any leader remarks, the Senate proceed to a period of morning business until 12 noon, with Senators permitted to speak therein for up to 10 minutes each, the time equally divided between the two leaders or their designees, with the Republicans controlling the first 30 minutes and the majority controlling the final 30 minutes; and that at 12 noon all postcloture time be considered expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Tomorrow we hope to make progress on the unemployment insurance extension. Senators will be notified when any votes are scheduled.

ORDER FOR ADJOURNMENT

Mr. REID. If there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order, following the remarks of my friend, the Senator from Ohio, Mr. PORTMAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

ARMSTRONG FLIGHT CENTER

Mr. PORTMAN. Mr. President, I applaud the majority leader for his work on the Neil Armstrong Flight Research Center. This is something DIANNE FEINSTEIN has been very involved with and JAY ROCKEFELLER supported, and it is an appropriate way to pay tribute to Neil Armstrong, who was a constituent of mine and a dear friend. I spoke to his family about this. They believe it is an appropriate way to pay tribute to him as well.

He was a true hero, not just because of what he did as the first man to walk on the moon, but also the way he led his life subsequently. He was a humble hero to me and to so many others. I am delighted that through the action we just heard on the floor here a moment ago with the majority leader, we have now passed legislation which will go to the President for his signature. The Dryden Flight Research Center in California will now be renamed the Neil A. Armstrong Flight Research Center at the Dryden Aeronautical Test Range. So that is good news tonight. The Senate got something done.

THE BUDGET

I also wish to comment on what the Presiding Officer said earlier with regard to the retirement provisions in the budget as it relates to our veterans. The military retirement issue is one I had great concerns about, and when I voted for the budget, it was my understanding that would be resolved. The Senator from Connecticut has a proposal he is supporting tonight from our colleague from New Hampshire. I am supporting a proposal as well from another colleague from New Hampshire, and how we pay for this is the subject of some debate, but we need to resolve this.

I think it is unfair for a couple of reasons; one is it singles out our military at a time when there are so many other ways in which we need to address our overspending in this country. I think it is not just for us to simply single out military retirees. I believe that is not consistent with the promises we made to them, and I believe it is in effect changing the rules midstream.

Second, there is a commission looking at this. The commission is looking at, in a comprehensive way, retirement, benefits, health care. That commission is both comprehensive and transparent and expected to report later this year.

So in my view, this certainly was not appropriate to be in the budget. It is about $6 billion. We certainly should be able to find a pay-for in a budget of over $3 trillion. Again, I commend those who are working on this.

I have cosponsored a particular approach which Senator AYOTTE of New Hampshire is proposing that is an antifraud provision for the child tax credit. I know there is some difference on that, but I think all of us want to be sure the child tax credit is being properly administered, and those who do not qualify for it or are ineligible for it should not access it.

At a time of record debt and deficits, we have to be sure there is not fraud, abuse, and waste in our government, and that is one example. So I hope we can find a way to come together on that and deal with that issue.

UNEMPLOYMENT INSURANCE

Finally, the majority leader talked a little about the legislation currently before this body to extend unemployment insurance. I wish to talk for a moment about where we are on that bill and say I was encouraged by the words of the majority leader. It sounds as if he is interested in looking at various ways we could pay for it. He indicated he is not in support of paying for it but would be willing to listen to some of our ideas. Let me say a couple things about it.

One, this is the emergency unemployment insurance on top of the roughly 26 weeks currently provided by States such as my State of Ohio. So it is additional emergency unemployment insurance on top of that.

The unemployment insurance ended at year-end, and the question is: Do we extend it? How do we extend it? How do we deal with the fact it adds to the deficit?

I voted, along with a handful of other Republicans, to proceed to this because I believe we ought to have a debate about, one, whether it should be paid for or not. I think it should be, and I won't be able to support it unless it is paid for; two, over the 3-month period—which the extension is, just a 3-month period—how can we improve the unemployment insurance program so it really works to get people employed?

As we know, the problem now is we have the highest number of people who are long-term unemployed we have ever had in this country. It is a historic rate, and it is a very troubling, sad situation, where people are over 27 weeks at historic levels. So we are not doing what we should be doing to connect those people who are unemployed to the jobs out there, clearly, by definition with so many people long-term unemployed. Let's improve this system. Let's provide people with the job skills and the tools they need to access the jobs available.

In my own State of Ohio, we are told we have about 100,000 jobs, many in advanced manufacturing, bioscience, and information technology, sectors of our economy where there is requirement for skills those who are unemployed do not have. Long-term unemployment insurance isn't providing them with the training and skills opportunities.

I think we ought to be able as a body to come up with reforms, working with the administration. The President has indicated his interest in doing that. That is the reason for the 3-month extension. But I certainly think we should pay for the 3-month extension.

The argument was made tonight that it is an emergency. The same Democrats who are saying that are saying the economy is improving. In any case, it violates the budget which was passed. We passed a budget just a few weeks ago. It was quite contentious here on the floor. The budget provided, for the first time in 4 years, a budget for the House and for the Senate to work against so we can start the appropriations process again. I supported that. It had no tax increases. It actually had net deficit reduction in it—barely but some. It didn't do everything, but it set those budget levels so we now have caps we can work against so we can begin the appropriations process, which involves oversight, which has not been done appropriately for 4 years now. It also involves prioritizing spending which has not been done.

Frankly, the agencies and departments of the Federal Government have been kind of on their own with these so-called continuing resolutions because there hasn't been the constitutional requirement that Congress appropriate. That is our constitutional duty, the power of the purse, which simply hasn't happened.

I think the budget is important. But by setting those caps, we made a statement to the American people: We are going to stick to these budget caps,

both on the discretionary side—which is the smaller part of the budget we appropriate every year—and also on the mandatory side. Those caps are violated by unemployment insurance being extended without paying for it subject to a point of order on the floor of the House and the Senate. Frankly, I think if that point of order were raised—which I hope it would be, because we don't want to break these caps—I think it would be very tough to get the 60 votes.

I understand the majority leader disagrees with me, and I respect his opinion. But I do think that, because it violates the budget and because we have historic levels of debt and we have a deficit this year which is forecast to be over $600 billion, we ought to deal with this in a fiscally responsible way and find the money to pay for the extension. It is about $6 billion, about the same as dealing with the military retirement issue.

Again, certainly we can find $6 billion in a budget of well over $3 trillion. In fact, a number of us have come up with specific proposals, and I have introduced a couple of amendments on this today.

I spoke about one of these amendments earlier today, but I would like to go into a little more detail because there were some comments made on the floor earlier that Republicans are only offering two alternatives. One is a one-year delay in ObamaCare—which I support but is opposed by the other side—and the second is the proposal on the child tax credit, which I talked about earlier and which focuses on current mispayments of the child tax credit. Again, I think that is a good pay-for. I support that. I am actually on the amendment which provides for that, but it also has enough funds in it to deal with the military retirement issue we talked about. So it could extend the unemployment insurance program for 3 months, plus deal with the military retirement program and have a little left over for deficit reduction.

But I want to make it clear to those on the other side of the aisle who said that is all Republicans have that we do have alternatives. I specifically filed amendments which I hope will be made in order that say: Let's look at the President's own budget and pull out some pay-fors which are within the budget, and let's use those. This certainly should be bipartisan.

Specifically, I have two provisions in my amendment to pay for the extension. One is to remove a current loophole in the system which allows double-dipping between Social Security disability and unemployment insurance. That is in the President's budget. It is in there because it doesn't make sense to have folks who are on Social Security disability which is designed for people who are unable to work, to also be drawing unemployment insurance which is for people who are out of work and looking for a job. That is a requirement.

Clearly those two programs are mutually exclusive, which is why the President's budget includes this prohibition on what is called concurrent receipts—in other words, getting both SSDI and unemployment insurance.

I add to that Trade Adjustment Assistance, another program where, as a worker, if you lose your job due to trade and some external factors, you can go through a retraining program. But you are a worker by definition. The same principle applies to both. That combination pays for most of the extension of unemployment insurance.

I see my colleague from Maine is on the floor this evening. He, along with one of his Democratic colleagues and one of his Republican colleagues, has made a similar proposal in legislation and also filed an amendment along those lines to say: Let's clean up this issue. Let's be sure we do not have double dipping, that we do establish clearly that if you are qualified as a nonworker in one case, you cannot qualify as a worker in another case. I do think that is a responsible way to pay for this that would not run afoul of anything the majority leader said he was concerned about, although, again, I do not have the concerns he does about the child tax credit issue. I think it is a question of missed payments. But I want to make clear we do have this proposal out there.

On top of that, to be sure there is additional pay-for to pay for the entire amount of the extension of unemployment insurance, we also add an unemployment insurance integrity program, straight out of the President's budget. This is to ensure through the Labor Department that there are not improper payments on the existing unemployment insurance program. This will enable us to save money in the long run and help get people into jobs, which I think should be everybody's priority.

These are both proposals that are in the process here, that had been filed. We are hoping that they will be pending tomorrow and that we can have a debate on these and other amendments. I believe there are several other amendments, including the one from my colleague from Maine, that will say: OK, we will extend the unemployment insurance program for 3 months to come up with a better unemployment insurance program, to improve it so it does connect people to the jobs that are out there and provide the kinds of skills training that is needed and gives people the tools to be able to access those jobs. But we are going to pay for it at a time of historic debts and these large deficits and at a time when it violates the budget agreement otherwise that we just passed.

I am hopeful that we can make progress on this over the next couple of days and that we will be in a position to move forward on dealing with unemployment insurance improving that.

I also filed another amendment that relates to this because part of what we ought to do, in my view, during this month is tie worker retraining with unemployment insurance. Senator BENNET and I have something we called the Career Act that we introduced over the last few years, and this Career Act helps to improve the federal worker retraining program, which I believe should be part of this. Specifically, we have a couple of provisions in that legislation that I have introduced as an amendment here to be able to help in terms of the unemployment insurance issue. We need to create an environment where people don't need unemployment in the first place. This amendment will reform local one-stop centers for worker retraining that help connect the unemployed with retraining services by requiring them to give priority consideration to training services that provide workers with in-demand industry-recognized credentials. We are finding in Ohio and other States that those credentials are what are really needed to get a job often, and that is not being prioritized now in our Federal worker retraining program.

By the way, the Federal Government spends about $15 billion a year on these programs, so we need to make sure that money is well spent, and again, by definition, it is not working as it should. We have so many who are not able to find jobs because of this skills gap. There are 100,000 jobs open in Ohio right now and about 400,000 people are out of work, and somehow we cannot connect those folks with the jobs, partly because they do not have the skills.

Our proposal also includes an innovative approach, endorsed by the President in his 2014 budget, that gives States the flexibility to spend some of the WIA—Workforce Investment Act—funds on job training programs that use the pay-for-success model. What does that mean? The pay-for-success model allows providers who right now are getting funding through this program to be reimbursed only if they generate results, which seems pretty basic. You should be looking at outcomes, but that is not in the system now, so it really is a pay-for-success or pay-for-performance program. It will ensure that these programs are accountable and that they actually produce measurable results for workers. Not only will this save money, but it will also help get Americans back to work one job at a time.

These seems to me to be really responsible proposals that I hope we will take up in the Senate and be able to move forward with something that pays for this unemployment insurance extension but also begins the process of improving unemployment insurance so that it works better for that historic number of long-term unemployed.

Finally, this is a great opportunity for us to do what actually helps grow this economy because ultimately that is the problem, isn't it? Unemployment insurance is taking a dollar from one pocket and giving it to someone else. That is needed sometimes. During high unemployment, as we have now, and

long-term unemployment being high, something is needed in terms of unemployment insurance. I think most of us agree with that. But ultimately that is not the solution. The solution is to create more economic growth and therefore more jobs so people will not need to rely on unemployment insurance.

I am hopeful we can also have discussions about some of those issues. We are not going to reform the Tax Code here in the next couple of days, but we ought to talk about issues like that that give the economy a shot in the arm.

One thing I have introduced along those lines is an amendment to strengthen what is called the Unfunded Mandates Reform Act. This is to help with the regulations out there that are unfortunately causing more and more burdens to job creators, making it harder to create jobs.

We know the cost of regulations is going up. In 2012—the last year for which we have numbers—the Obama administration regulations cost in 2012 alone was equal to the costs in the first term of the Bush administration and the Clinton administration combined—more and more regulations, more and more costs, about 4,000 regulations a year. We have to be sure we have a process in place to pare down the regulations and make sure they are based on a real analysis of the cost and the benefits.

I was an author of the Unfunded Mandates Reform Act of 1995 back when I was on the House side, and this particular amendment offered today improves that bill. Originally, that was an effort to prevent Congress and the Federal regulators from blindly imposing economic burdens on the private sector without going through these costs and benefits. I think most people would acknowledge that it has been a success, but with today's regulatory environment, we need to upgrade and modernize it.

This amendment would require agencies to assess the effect of new regulations on job creation, which is not in the current act, so it would add this requirement. Let's look at how this affects creating jobs. That seems like a commonsense idea. And require those agencies to consider alternatives to the kinds of regulations being proposed that might lessen that effect on jobs.

It would also broaden the scope of the unfunded mandates act to include rules issued by independent agencies. Right now, independent agencies are not covered by the cost-benefit analysis because, by definition, they are independent from the Office of Management and Budget and from the analysis that is done. Some independent agencies do an analysis; some do not. They use different rules. This would require all agencies, whether it is an executive branch agency or an independent agency, to live under these same rules of cost-benefit analysis. That makes a lot of sense.

The President has proposed this himself, not in legislative form but executive action. We need to codify what the President talks about. Frankly, he cannot do it by executive agency because, again, these are independent agencies, independent of the White House, so our idea is to bring them into the same cost-benefit analysis to make sure they are adopting the least burdensome rules possible so they are not affecting our economy in negative ways and we get people back to work.

Finally, we did require agencies to look at what the options are, even after the cost-benefit analysis is done, to determine the least burdensome way to achieve the same objective. If you have the same rule being put in place, you would be required to say how you get from point A to point B in the least burdensome way. With so many Americans out of work and so many who are looking for jobs who are underemployed, I think it is time for us to look at everything. Regulatory reform would certainly be one, health care costs is another, tax reform, and looking at our trade policy so we can be sure to expand exports. There are lots of things to do, but I think on this regulatory front, this is one area where we have a lot of bipartisan census and we might be able to move forward.

I know we are debating the extension of unemployment benefits today, and not all these other issues, but they are all part of it. We have to make sure we are creating an environment for success, that we are creating the opportunity for job creators to invest, take a risk, and to begin to take the money off the sidelines in this economy so they can put it to work. That will require us to make some changes here in Washington in terms of the way we approach these issues to free up the private sector so they can do what they do best, which is to create more jobs and opportunity.

Again, I was very pleased to hear the Senate majority leader express a willingness to include reasonable amendments and offsets to the cost of this legislation. I do hope he will work with us to ensure we can move forward in a way that does take on some of these issues of waste, fraud, and abuse in the Federal Government. We want to make sure there is no double dipping, and make sure there are not concurrent receipts with disability plus unemployment insurance, and TAA. We want to ensure that if you are working, you are getting the benefits you are eligible for, and if you are not working, you can get those benefits but not both. These are just sensible provisions and, again, reflective of what is in the President's own budget.

If we can do that and pay for this for 3 months, we can then go to work as Republicans, Democrats, and Independents alike—because there is an Independent on the floor tonight—to resolve not just whether we extend unemployment but this deeper issue of how to have the unemployment program work to get people into jobs that are available out there. Again, record levels of long-term unemployment mean we have a real problem. It is not working.

Second, how do we grow this underlying economy? How do we get the jobs back through economic growth and through creating more opportunity for everyone? How do we get middle-class wages and benefits back up so we can enable every American to have a shot at the American dream by giving people the equal opportunity they deserve?

I thank the Presiding Officer for his indulgence and staying late tonight, and I yield the floor.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10 a.m. on Thursday, January 9, 2014.

Thereupon, the Senate, at 6:35 p.m., adjourned until Thursday, January 9, 2014, at 10 a.m.